
**EARNINGS IN TYNE & WEAR
2004**

MAY 2005

By

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Reference: EB05/2

£20.00

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KEY POINTS

This is the first report of the new Annual Survey of Hours & Earnings (ASHE), which replaced the New Earnings Survey (NES). A revised ASHE-type series for 1998-03 has been analysed to show trends. The new dataset, for the first time, gives median earnings and earnings of residents (as well as the usual workplace data). These data are amongst the most robust on a local economy.¹ The vast bulk of the data are for full-time employees only and located by place of work (not residence)².

Average and Median earnings (§2):

- On average, men & women are £443.2 per week (£22,708 pa), 87.4% of Great Britain's earnings;
- Men earn £477.2 per week (£24,603 pa), 85.3% of Great Britain's earnings;
- Women earn £393.7 per week (£19,887 pa), 93.4% of Great Britain's earnings.

New: Median Earnings:

- Median earnings are about £3,000 pa lower than average earnings.
- Median³ men & women earn £380.60 per week (£19,722 pa), 90.1% of Great Britain's earnings;
- Men earn £416.20 per week (£21,602 pa), 85.5% of Great Britain's earnings;
- Women earn £334.70 per week (£17,219 pa), 93.3% of Great Britain's earnings.

Part-time employees (§3):

- Hourly earnings for all part-time employees in Tyne & Wear were less than their full-time counterparts (TW part-time employees earn *hourly* 65.2% of TW full-time employees).
- Overall, part-time employees in Tyne & Wear received 17.3% less than those in Great Britain.

Low Pay (§4):

- The proportion earning under £250 pw is over 18.2 % of men & women (GB 13.7%); 14.5% of full-time men (GB 9.4%) and more than 23.7% of full-time women (GB 20.8 %).
- In the North East, 1.8% of people earned less than the National Minimum Wage (NMW), higher than in Great Britain (1.1%). Employees aged under 18 are not covered by NMW.

Increases in Earnings (§5):

- Tyne & Wear's reported earnings growth for 1998–2004 was similar to the rest of the country, (TW 27%, GB 28.7%) for all employees.
- Men's growth in earnings was 23.2% in Tyne & Wear (GB 27.2%).
- Women's earnings rose 37.3% between 1998–2004 (GB 33.3%).
- The Tyne & Wear rises from 2003 are unduly high, due to what appears to be an un-representative sample in 2003⁴. The increases in Tyne & Wear are nearly double that of Great Britain, with the

¹ This is due to good sample size and consistent methods. TWRI rated the NES 8/10 for overall quality.

² There are no data on earnings from self-employment in the NES and ASHE.

³ The median earnings are the level at which there are equal numbers of employees, above and below for that category of earners.

⁴ TWRI's report of Earnings 2003 was sceptical of the exceptionally low results that year. The report included a query to ONS and their response. TWRI's scepticism on 2003 now appears to be justified.

strongest growth occurring in women's earnings. All employees' earnings growth for 2003/04 were 7.5% (GB 3.8%); men's earnings growth was 6.1% (GB 3.4%); and women's earnings growth was 10.8% (GB 4.8%).

Other Metropolitan Counties and Unitary Authorities (§6):

Overall, Tyne & Wear's average earnings are 28th lowest among the (87) English counties, Metropolitan counties and Unitary Authorities.

- For men, Tyne & Wear's average earnings are 26th lowest.
- Women's average earnings in Tyne & Wear rank 40th highest (among 86 areas).
- Overall earnings and men's earnings are the lowest of all the Metropolitan counties.
- Women's earnings are, however, the 4th highest among the (7) Metropolitan counties.

Men & Women's earnings compared (§7):

The gap between men's and women's earnings in Tyne & Wear remains narrower than in Great Britain.

- In 2004, women's *hourly* pay was 83.4% of men's, compared to 76.7% for Great Britain.
- Women's *weekly* earnings were also closer to men's earnings in Tyne & Wear (82.5%) than in Great Britain (75.3%).

However, this partly reflects the failure of men's earnings in Tyne & Wear to grow in real terms for most of the 1990's (1992-1997). Throughout the period from 1998-2004, women's hourly earnings in Tyne & Wear rose over 38%. They outperformed Great Britain's women by nearly 5 percentage points, Tyne & Wear's men's hourly earnings increases (by 12 percentage points), and Great Britain's men increases (by nearly 7 percentage points).

Public and Private sectors compared (§8):

- Public sector employees in Tyne & Wear and in the North East, on average, earn 9% and 7.2% *more* per week than private sector employees. *Hourly* earnings of the public sector are greater than in the private sector by 19.2% (Public 1247p, Private 1046p).
- Hours worked per week (and overtime worked), are shorter in the public sector than the private sector. Public sector men work in Tyne & Wear, on average, 38.5 hours per week (36.5 for women) compared to 41.4 hours (38.4 for women) in the private sector. [Hours include overtime].
- The greatest difference between Tyne & Wear and Great Britain earnings is in the private sector. Weekly earnings of private sector workers in Tyne & Wear are 81.3% for men, and 87.3% for women, of the Great Britain average.

Hourly Earnings and Hours of Work (§9):

- Hourly earnings rose (1998-2004) marginally faster than weekly earnings, as average hours fell slightly (by 0.8h for men and 0.2h for women).

In Real Terms (§10):

- In the period 1998-2004, men's real earnings (i.e. after RPI inflation) rose 7.9% and women 20.2% in Tyne & Wear. Average annual compound rates of earnings growth in real terms are 1.1% pa for men, 2.9% pa for women and 1.7% pa overall.

(These calculations assume that the rate of inflation has been the same in Tyne & Wear and Great Britain over these periods).

NEW: Earnings of Residents of Tyne & Wear (§11):

- Earnings of residents in Tyne & Wear are typically 3-4% lower than at workplaces (given in §2). This difference is due to in-commuters (on average) earning significantly more than out-commuters. Tyne & Wear has lower resident earners than even South Yorkshire (differences that were not known before).

Comparison between ASHE and NES data 1998-2003:

- Pay using ASHE methodology is higher than taken directly from NES for the years 1998-2003.
- This differential is higher for men than women. In particular it affects hourly pay (excluding overtime), which is used to measure the gender pay gap. It thus reveals a wider gap between men's and women's hourly pay.
- Estimates for the level of earnings for people working in London are increased more than estimates for other regions, such as Tyne & Wear. This reveals a wider pay gap between London and the rest of the UK.

1 INTRODUCTION

This report presents information on average and median earnings, and the distribution of earnings; including low pay and part-time earnings as recorded by the 2004 Annual Survey of Hours and Earnings (ASHE). ONS' reasons, changes and impacts are covered in §1. The areas presented include Tyne & Wear, the North East, Great Britain and other Metropolitan counties. The analyses cover total employees and men and women employees separately. Earnings by occupation and industry for Tyne & Wear are given in Appendices 2 and 3, along with Great Britain and North East region data.

The new ASHE dataset has five merits:

- Firstly, its back series, (pre-2004), is based upon the NES dataset, which has a long, consistent time series. The only back series available, at time of writing, were from 1998-2003.
- Secondly, estimates for smaller geographical units are more likely to be statistically robust due to the **larger sampling** scheme used within ASHE. Thus for smaller areas, there are more likely to be estimates and they will be more representative.
- Thirdly, as opposed to the earlier NES dataset, ASHE findings are **weighted** in order to give a more representative estimates due to under-sampling in particular areas (such as low earners, which are more likely to be missed due to sampling techniques etc).
- Fourthly, the **median** estimate is also used, as well as the average, in order to show how much the distribution of earnings is skewed.
- Lastly, each estimate has an associated level of robustness, (confidence level), so that each estimate can be taken with a better degree of associated knowledge.

Since 1970, the Office for National Statistics (ONS) and its predecessor, the Central Statistical Office (CSO), have conducted the NES annually, which was replaced by the ASHE from 2004.

The ASHE is the most comprehensive source of earnings data. It collects information on hours of work and earnings for a 1% sample of employees. The data in this report relates to gross pay excluding over-time and payments in kind for full-time employees. The ASHE provides information for Government Office Regions (including the North East).

The NES, between 1999 and 2003, did not provide the *standard errors* of the estimates (a measure of their accuracy). This has been rectified with the change from NES to ASHE, with results given 'error boundaries' and if these boundaries are over 20% C.V. (coefficient of variation⁵), the results are omitted, by ONS, as not being statistically robust. Thus all the results presented in this report are statistically sound to this minimum level. Estimates for the larger groups are very much more precise. (For example, the total of T&W employees C.V. is 1.5%, for men 1.9% and for women, 2.1%).

Wages and salaries account for 71% (UK 69%) of gross weekly household income from all sources. Other sources of income are:

	NE	UK
Social Security Benefits	15%	11%
Pensions (+ Annuities)	5%	7%
Self Employment	6%	9%
Investment Income	2%	4%

(Source: ONS Family Spending 2002/03)

For further information on these non-earnings sources of income and overall household income, please refer to TWRI's report 'Household Income and Expenditure, 2003.'

⁵ The coefficient of variation (CV) is the ratio of the standard deviation of an estimate to the estimate. It is a unit-less ratio that can be used to compare variables that are expressed in different units.

This report on earnings of employees covers both full-time and part-time employees (part-time analyses in §3). Part-timers account for about a quarter of all employees, about 100,000 of over 400,000 employees in Tyne & Wear.

1A METHODOLOGICAL CHANGES BETWEEN ASHE AND NES

A new annual earnings survey, the Annual Survey of Hours and Earnings (ASHE) has replaced the New Earnings Survey (NES). The methodological changes within ASHE reflect the recommendations of ONS' Distribution of Earnings Review⁶.

1A.1 Reasons for Survey and Questionnaire Changes

The new survey uses data from the Inland Revenue's PAYE system as the main sample (as before), but *weights* the survey responses to the population of jobs as measured by the Labour Force Survey⁷ (LFS). The survey sample has also been increased to include employees in businesses outside of the PAYE system and those changing jobs between survey sample identification and the survey reference date.

As well as addressing the survey methodology, ONS reviewed the questionnaire. The NES questionnaire was poorly designed and allowed for too much variation in certain areas of the dataset.⁸ The changes address the weaknesses in NES' design, which led to the production of biased estimates of earnings.

- The biases arose because the survey responses to NES were not weighted to the population of employees.
- The sample yielded incomplete coverage of employees, due to the prime use of Inland Revenue's PAYE system.
- Biases occurred due to differential non-response for employees of different types.
- The survey missed a significant amount of employees who change job between sample selection and the survey reference date.

However, the new survey will introduce *discontinuities* to statistics of earnings. There have been fewer problems with changing the occupational classification, SOC90 to SOC2000, through the use of dual-coding from 2002.

Caution: The ASHE-based data on earnings are always likely to over-estimate average levels of pay, and could potentially miss an important group of employees at the bottom of the pay distribution. This is because there will be some under-coverage due to employees of businesses that are not included on the interdepartmental business register (IDBR), and so are excluded from the survey. This type of business usually has a turnover of less than the VAT threshold and/or where employees earn less than the PAYE threshold.

1A.2 Methodological Changes: the introduction of weighting and calibration

ASHE methodology weights the estimates of earnings; the weights are calculated by calibrating the survey responses to totals from the Labour Force Survey (LFS) by occupation, gender, 'region'⁹ and

⁶ ASHE is ONS' first major survey redesign as part of the statistical modernisation programme.

⁷ TWRI notes that the LFS records both first and second jobs, which may influence the resulting estimates obtained from ASHE. The standard errors within the LFS dataset are also not included in the final estimates of pay.

⁸ Subject to the outcome of the field test of this new questionnaire, the questionnaire will likely be used for ASHE 2005.

age. [A summary table of Methodology Changes is in Appendix 1]. Estimates of pay and associated standard errors for different subsets of the population of employees have been made using weighted estimation.

The *weighted estimates* are *higher than unweighted ones*, because the weights compensate for under-representation of high-paid jobs. The effect of weighting is that different results can be obtained by using different LFS totals for calibration, (but these are very small). The higher estimates generated by weighting may seem counter-intuitive since the main exclusion from the NES were those individuals outside the PAYE system. However, a poorer response rate from employees in high-paying occupations more than offset the bias from the PAYE exclusion. Thus, high-earning employees are under-represented in the unweighted sample, and weighting corrects for this.

The weighted estimates of the *median and the upper and lower deciles* have been acknowledged by ONS to have *larger standard errors* than the unweighted estimates. The distribution of weekly pay is skewed with a relative sparsity of high pay records making reliable estimation of upper deciles more difficult than the lower ones.

1A.3 Impact of Methodological Changes upon NES data sets

The main impacts of the methodological changes when applied to the existing NES data are:

- To raise estimates of the level of average weekly pay.
- To raise men's earnings more than women's. In particular, this affects hourly pay excluding overtime, which is used in the calculation of the ONS' preferred measure of the gender pay gap. The estimate of hourly pay for men has increased by more than the estimate for women, which widens the estimate of the gap between men and women's hourly pay.
- London is raised more than estimates for other regions. This widens the estimate of the difference in pay between London and other regions of the UK.

1A.4 Publication of the Median

ONS' (new) publication of the median in ASHE is a major advance. Thus one can assess the nature of the distribution, by the differences between the average and median for each category. The particular benefits of the median are:

- It is not affected by extreme values;
- It always exists as a value
- It is a useful guide in skewed distributions.

However, both the average and median are used as a complementary guide to assess the findings of the ASHE dataset.

1A.5 Publication of Standard Error (SE) of each estimate

Each estimate generated within ASHE has an associated level of standard error (SE) related with it. The standard error of each estimate is presented (by ONS) as its coefficient of variation (CV). The CV

⁹ *Workplace region is based upon government office region (GOR), but aggregated into two areas comprising (i) London and the South East and (ii) elsewhere in the United Kingdom. TWRI notes that this may not give the most accurate depiction of Tyne & Wear, due to its often different characteristics from the rest of the UK. However, the possible errors associated with this weighting method are probably minor and difficult to estimate.*

measures the quality of an estimate, relative to the (size of) the estimate itself.. There are 4 levels of CV which are given in ASHE:

- CV $\leq 5\%$ 'Precise'
- CV $> 5\%$ and $\leq 10\%$ 'Reasonably Precise'
- CV $> 10\%$ and $\leq 20\%$ 'Acceptable'
- CV $> 20\%$ or unavailable 'Unreliable'

Referenced throughout § 1A from:

Bird, D. 2004. 'Methodology for the 2004 Annual Survey of Hours and Earnings', *Office for National Statistics, Labour Market Trends*, December: No.12 (Vol.112), 457 – 464.

2 AVERAGE AND MEDIAN GROSS WEEKLY EARNINGS, 2004

2.1 AVERAGE EARNINGS

The first section presents information on average weekly earnings in Tyne & Wear. The analyses cover men, women and all employees and compares Tyne & Wear to Great Britain and the North East¹⁰. The next section (§2.2) discusses median earnings.

In 2004, the average full-time employee in Tyne & Wear earned £443.2 per week, (£22,708 pa). This is 12.6% less than the Great Britain average of £507.0 per week, (£27,099 pa) (see Table 2.1). The earnings gap between Tyne & Wear and Great Britain is much larger for men, in percentage terms, than women. Men's average weekly earnings were £477.2 (£82.2 per week or 14.7% below the Great Britain average); whereas women's average weekly earnings were £393.7 (£27.6 per week or 7% below the Great Britain average). In Tyne & Wear, average annual earnings were £24,603 for men and £19,887 for women.

Table 2.1: Average earnings of full-time employees on adult rates (2004)

	MEN & WOMEN				MEN				WOMEN			
	Average		Median		Average		Median		Average		Median	
	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)
Tyne & Wear	£443.20	1129	£380.60	959	£477.20	1180	£416.60	1002	£393.70	1052	£334.70	877
North East	£436.20	1107	£372.60	924	£473.70	1161	£412.00	984	£379.60	1020	£318.30	839
Great Britain	£507.00	1286	£422.30	1044	£559.40	1380	£463.70	1109	£421.30	1124	£358.60	947
T&W % of GB	87.4%	87.8%	90.1%	91.9%	85.3%	85.5%	89.8%	90.4%	93.4%	93.6%	93.3%	92.6%

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a and 7.6a)

In the North East, average weekly earnings were lower than in Great Britain; men's earnings were £85.7 lower, and women's earnings were £41.7 lower. Tyne & Wear women's weekly earnings were £14.1 higher than in the North East (compared to £7.3 higher in 2003), whilst Tyne & Wear men's were £3.5 higher (compared to £3.2 higher in 2003). Since 2003, (ASHE-based) North East men's weekly earnings have risen by £25.1 and Tyne & Wear men's earnings have risen by £25.4 per week.

In Tyne & Wear, the differential between men and women's earnings was 21.2%, compared to 21.3% in 2003. This narrowing is unsurprising as women's weekly earnings have risen by £38.3 per week since 2003 while men's earnings have grown by £25.4 over the same period.

ASHE and NES COMPARISON (2003)

A comparison between the NES and ASHE results (see Table 2.1.1) is necessary to highlight some of the key differences between the two sets of survey results (in 2003 the last NES was held):

- In every category, the ASHE figures are higher than NES (e.g. for gross weekly earnings, ASHE GB Men are £541.8, £16.8 higher than NES GB Men £525). The greatest difference occurs in

¹⁰ Note: Earnings by occupation are given in Appendix 2 for Great Britain, the North East Region and Tyne & Wear.

men's earnings and is most noticeable in the Great Britain figures, although in Tyne & Wear differences for men between the two surveys are similarly large (£13.7).

- The main effect of the change in methodology has been to reduce the Tyne & Wear women's earnings (as a percentage of Great Britain earnings), from 88.7% in with NES results, to 88.4% with ASHE results, a 0.3 percentage point drop due to methodological differences.
- The main reasons for the above effects are the higher weighting of men's earnings in groups 1-3 SOC2000 (Standard Occupational Classification), due to an under-representation of these groups, especially in London and the South East. These occupational groups generally have higher earnings, thus increasing men's earnings generally.

Table 2.1.1: Comparison of average NES and ASHE full-time adult rate earnings (2003)

	MEN & WOMEN		MEN		WOMEN	
	ASHE	NES	ASHE	NES	ASHE	NES
	£'s per week	£'s per week	£'s per week	£'s per week	£'s per week	£'s per week
Tyne & Wear	£413.70	£403.50	£451.80	£438.10	£355.40	£351.30
North East	£409.20	£402.10	£448.60	£437.80	£348.10	£347.30
Great Britain	£489.20	£475.80	£541.80	£525	£402.10	£396
T&W % of GB	84.6%	84.8%	83.4%	83.4%	88.4%	88.7%

Source: Annual Survey of Hours and Earnings 2003 and New Earnings Survey (Tables 7.1a and Part A Tables A21, A22, and A23, respectively.)

2.2 NEW Median Earnings

Median earnings are those of the 'middle person' in a distribution. They can be said to give a better measure of 'typical' earnings than the average. 2004 is the first time ONS has published median earnings.

Distributions of earnings are nearly always asymmetric. They have many low earners (bunched below the peak) and a much longer 'tail' of high earners on the other side of the distribution. It is this shape of the distribution, technically 'skewed to the left' (low earnings), which causes the median earnings to be much lower than the average.

In Tyne & Wear, median earnings are about £3,000 pa lower than the average.

In 2004, the median full-time employee in Tyne & Wear earned £380.6 per week (£19,722 pa) [£2,986 less than the average] (Table 1). Men's median earnings were £416.6 per week (£21,602 pa) [£3,001 less than the average]. Women's median earnings were £334.7 per week (£17,219 pa) [£2,668 less than the average].

Compared with Great Britain, Tyne & Wear's median (as a % ratio of GB) for men & women is 2.7 percentage points higher (90.1%) than the ratio of averages (87.4%). This reflects the relative lack of high earners in Tyne & Wear. This effect is nearly twice as marked for men in Tyne & Wear (median 89.8%, average 85.3%; difference 4.5 percentage points). Conversely, for women in Tyne & Wear, there are more high paid women than in GB, with the average ratio (93.4%) above the median ratio (93.3%).

3 PART-TIME EARNINGS

This section covers earnings of part-time employees. The ASHE survey, compared to the NES surveys, contains a larger proportion of data on part-time employees. Due to the more inclusive sampling of ASHE, there are more results and they are generally of better statistical quality.

Hourly earnings give a better indication of average earnings, as the problem of the exact amount of hours worked (as part-time employees often do not have contracted hours) is removed. Part-time employees are those that work less than 30 hours per week (average of 19.2 hours in Tyne & Wear) compared to greater than 30 hours (average of 37.4 hrs for women and 40.4 hrs for men in Tyne & Wear) for full-time employees.

In previous NES Surveys, part-time data was not included until 2001. ASHE surveys currently have part-time data available from 1998-2004, making the possibility of small-scale temporal comparison possible. The main comparisons made in this report are Tyne & Wear with Great Britain and the North East, and part-time earnings with full-time earnings.

In 2004, the average part-time employee in Tyne & Wear earned 736p per hour, a rise of 4.2% from 2003. This is, however, 12.5% less than Great Britain (841p) (see Table 3.1). Part-time men employees earn 777p per hour, which is 17.3% less than Great Britain (940p). Tyne & Wear part-time women employees earn 726p an hour, which is 11.5% less than Great Britain (820p). The gap between Tyne & Wear's part-time earnings compared to Great Britain's, is thus much greater for men than women.

Table 3.1: Comparison of average earnings of full-time employees on adult rates (2004)

	<i>Part time employees (Pence per hour)</i>						<i>Full time employees (Pence per hour)</i>					
	AVERAGE			MEDIAN			AVERAGE			MEDIAN		
	MEN & WOMEN	MEN	WOMEN	MEN & WOMEN	MEN	WOMEN	MEN & WOMEN	MEN	WOMEN	MEN & WOMEN	MEN	WOMEN
Tyne & Wear	736	777	726	596	572	601	1129	1180	1052	959	1044	877
North East	747	770	743	586	588	585	1107	1161	1020	947	1002	839
Great Britain	841	940	820	624	600	628	1286	1380	1124	984	1109	924
T&W % of GB	87.5%	82.7%	88.5%	95.5%	95.3%	95.7%	87.8%	85.5%	93.6%	97.5%	94.1%	94.9%

^a Reasonably precise, CV >5% and <=10%

Source: Annual Survey of Hours and Earnings 2004 (Table 7.6a) and TWRI calculations

The average hourly earnings for part-time employees (736p) are 35% less than the equivalent for full-time employees (1129p). The majority of part-time employees are women (around 80% in Tyne & Wear) and thus data for all part-time employees is largely influenced by women's earnings. Men's part-time hourly earnings in Great Britain (940p) are nearly 15% greater than women's (820p) (see Table 3.1). This is a pattern seen across all earnings included in ASHE (see §2 for full-time average weekly earnings).

A report published by the Government's Women and Equality Unit¹¹ states that part-time women earn 22% less than their full-time women counterparts in Great Britain. [These ASHE 2004 data in this TWRI report, however, show that, in GB, in hourly pay, women part-timers (820p) earn 27% less than full-timers (1124p)]. Further research has shown that almost a quarter of part-time women workers are

¹¹ The Part-time Pay Penalty Report is available at www.womenandequalityunit.gov.uk

concentrated in jobs such as care assistants and shop assistants, whereas 4.4% are in managerial roles. According to the report, the rises in national minimum wages have not closed the pay gap between part-time and full-time jobs.

The gap between female part-time hourly earnings in the North East (743p) and Tyne & Wear (726p) has narrowed slightly to 17p in 2004 from 19p in 2003. These levels are respectively 9.4% and 11.5% lower than the national average. For all part-time employees, the pattern is similar with hourly earnings in Tyne & Wear (736p) and the North East (747p) being respectively 12.5% and 11.2% less than GB (841p).

Women's hourly earnings are more compressed in Tyne & Wear (1142p) compared to Great Britain (1411p)(see Table 3.2) with top earners closer to the average in Tyne & Wear and ~£2.70 per hour less than in Great Britain. The bottom decile for Tyne & Wear has risen since 2003 in line with the 25p rise in the National Minimum Wage (NMW). Men's and women's bottom decile earnings are at NMW (450p), whereas in 2003, hourly earnings were higher, in which men earned 5p more and women earned 20p more an hour than NMW. The top decile for men in Tyne & Wear (1674p) is 532p per hour (46.6%) greater than that for top decile women (1142p). However the top decile men's earnings in the North East (1590p) remain noticeably lower than Tyne & Wear (1674p); and are both lower than Great Britain (1862p).

Table 3.2: Distribution of gross hourly earnings, part-time (pence per hour)

	Great Britain	North East	Tyne & Wear
Men & Women			
Top decile	1460	1305 ^b	...
Bottom decile	462	450	450
Men			
Top decile	1862 ^a	1590	1674
Bottom decile	450	450	450
Women			
Top decile	1411	1253 ^b	1142 ^b
Bottom decile	466	450	450

Note: A decile is a tenth of the (statistical) population. The top decile is the top 10% of earners who are part-time employees.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... Too little data to be statistically robust

Source: Annual Survey of Hours and Earnings 2004 (Table 7.6a) and Specially Requested from ONS.

Table 3.3 illustrates the data on hourly pay from ASHE for Great Britain, the North East and Tyne & Wear. The table indicates the cumulative percentages earning below each threshold. It should be noted that this data only includes people on adult rates. In addition, there is no minimum wage for employees under 18 years.

- The proportions earning under £5/hr are over 31.3% of part-time men (29.7% in NE and 23.9% in GB) and over 24.1% of part-time women (26.6% in NE and 18.9% in GB) in Tyne & Wear.

- The proportions earning over £10/hr are around 22.9 % of part-time men in Tyne & Wear, 21.6% in the North East, and 23.5% in Great Britain. Women full-timers earning over £10/hr are around 15.4% in Tyne & Wear, and 15.9% in the North East.

Table 3.3: Distribution of part-time earnings in GB, the NE and T&W, % earning under

	Great Britain		North East		Tyne & Wear	
	Men	Women	Men	Women	Men	Women
Hourly Earnings						
£4.50 (NMW)	...	...	...	...	...	...
£5.00	23.9	18.9	29.7 ^b	26.6 ^a	31.3 ^b	24.1 ^a
£5.50	38.1	33.1	41.4 ^a	43.2	43.6 ^b	40.8 ^a
£6.00	47.9	44.1	51.6 ^a	52.6	52.5 ^a	49.6
£6.50	55.5	52.5	59.8 ^a	59.6	57.7 ^a	57.1
£7.00	60.8	59.1	63.6 ^a	64.7	62.2 ^a	62.3
£7.50	64.9	64.7	68.4	69.9	67.0 ^a	67.6
£8.00	68.2	69.1	71.9	74.0	72.5 ^a	72.4
£9.00	73.1	75.7	74.6	79.9	73.7 ^a	79.6
£10.00	76.5	80.0	78.4	84.1	77.1 ^a	84.6
£12.00	81.6	85.8	84.4	89.0	82.9	90.9
£14.00	84.9	89.8	87.9	91.7	87.8	94.0
£16.00	87.3	93.1	89.7	94.6	88.5	97.3
£18.00	89.5	94.9	90.5	95.9	90.1	98.4
£20.00	91.1	96.3	91.4	96.7	90.1	98.9

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... Too little data to be statistically robust

Source: Annual Survey of Hours and Earnings 2004 (Specially Requested from ONS).

ASHE and NES COMPARISON (2003)

A comparison is made between ASHE and NES 2003 results on earnings in order to determine the effect of differences in methodology (see Table 3.3.1). The main findings were:

- ASHE earnings per hour were not all higher than NES earnings in the same category; this is noted specifically in part-time earnings.
- Results for both ASHE and NES were similar, with Tyne & Wear and North East results being more similar to one another than Great Britain results.
- Tyne & Wear, as a proportion of earnings to Great Britain, is less for ASHE than NES in all categories. (This was noted in §2 and can be seen in Table 4a).

- The reasons for these differences are again the weighting of estimates of earnings for part-time employees. Estimates for these jobs are lower after weighting (because of higher response rates) with ASHE, with the largest falls noted for part-time men employees¹².

Table 3.3.1: Comparison of average NES and ASHE hourly part-time and full-time earnings (2003)

	<i>Part time employees (Pence per hour)</i>						<i>Full time employees (Pence per hour)</i>					
	MEN & WOMEN		MEN		WOMEN		MEN & WOMEN		MEN		WOMEN	
	ASHE	NES	ASHE	NES	ASHE	NES	ASHE	NES	ASHE	NES	ASHE	NES
Tyne & Wear	705	702	756 ^a	...	695	697	1045	1021	1105	1073	948	940
North East	734	738	850 ^a	...	714	716	1036	1017	1099	1069	933	933
Great Britain	809	795	926	875	786	766	1239	1203	1334	1288	1074	1056
T&W % of GB	87.1%	88.3%	81.6%	...	88.4%	91.0%	84.3%	84.9%	82.8%	83.3%	88.3%	89.0%

^a Reasonably precise, CV >5% and <=10%

... Too little data to be statistically robust

Source: Annual Survey of Hours and Earnings 2003, NES 2003 (Tables 7.6a and Part A Tables A21, A22, and A23, respectively.)

¹² ONS have reported that part-time jobs tend to have a higher response rate for the ASHE. Coupled with this the fact that part-time jobs are generally in lower-paid occupations; this has meant that the weight has lowered the estimate on already lower earnings.

4 LOW PAY AND DISTRIBUTION OF EARNINGS

In 2004, supplementary surveys are included in the ASHE to improve coverage at the low end of the pay distribution¹³. ONS did this so that ASHE can be appropriately used as the sole basis for the low pay estimates. The ASHE methodology includes weighting that should provide more accurate estimates than previously derived from the NES.

- Low pay is more prevalent in Tyne & Wear than in Great Britain using £250 pw as the threshold for *full-timers* (see Table 4.1):
- 18.2 % of men & women (GB 13.7%)
- 14.5% of men (GB 9.4%)
- 23.7% of women (GB 20.8 %)

Table 4.1: Distribution of gross full-time weekly earnings in GB, the NE and T&W

	Great Britain	North East	Tyne & Wear
Men & Women			
Top decile	£830.0	£692.1	£712.7 ^a
Bottom decile	£231.1	£216.1	£216.7
Percentage earning under:			
£250	13.7	19.0	18.2
£350	35.9	44.9	43.1
£460	56.2	64.7	63.7
Men			
Top decile	£920.1	£742.8 ^a	£753.4 ^b
Bottom decile	£253.3	£229.9	£230.2
Percentage earning under:			
£250	9.4	14.7	14.5
£350	28.5	36.9	36.1
£460	49.1	58.4	58.3
Women			
Top decile	£679.7	£616.2 ^a	£646.4 ^b
Bottom decile	£210.3	£200.6	£204.8
Percentage earning under:			
£250	20.8	25.5	23.7
£350	48.0	56.8	53.2
£460	67.8	74.1	71.6

Note: A decile is a tenth of the (statistical) population. The top decile is the top 10% of earners who are full-time employees.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a) and Specially Requested from ONS.

The distribution of overall earnings, and those for men and women separately, were less dispersed in Tyne & Wear than in Great Britain; however, the results were more dispersed than overall earnings in the North East. Top and bottom deciles for all employees in Tyne & Wear are closer to average earnings (£443.2pw) than in Great Britain (£507.0pw). However, this was not the case for men and women separately.

¹³ This section only relates to full-time pay.

- In 2004 the top decile (10%) of men in Tyne & Wear earned 58% more than men's average earnings (GB 64%); this is an increase of 2 percentage points since 2003.
- In 2004 the lowest decile of men in Tyne & Wear earned 52% less than men's average earnings (GB 55%).

The top 10% of men in Tyne & Wear earned £753.4 pw (£39,177). This is 18% less than the top 10% in Great Britain. The bottom 10% of men in Tyne & Wear earned £230.2 pw, (£12,157 pa). This is 9.1% less than the bottom 10% in Great Britain.

Women's earnings in Tyne & Wear show:

- In 2004 the top decile of women in Tyne & Wear earned 64% more than women's average earnings (GB 61%), an increase of 12.6 percentage points since 2003.
- In 2004 the bottom decile of women earned 52% less than women's average earnings (GB 50%).

The top 10% of women in Tyne & Wear earn over £646.4 pw (£32,770 pa). This is 4.9% less than in Great Britain, a rise of 6.6 percentage points from 2003. The bottom 10% of women earn under £204.8 pw, (£9,964 pa). This is 2.6% less than in Great Britain, a rise of 9.0 percentage points from 2003.

Table 4.2: Distribution of full-time earnings in GB, the NE and T&W, % earning under*

% earning under	Great Britain		North East		Tyne & Wear	
	Men	Women	Men	Women	Men	Women
Weekly Earnings						
£175	0.9	2.9	1.4	4.8	1.6	4.6
£200	2.8	7.6	4.4	9.8	4.3	9.2
£220	5.0	12.4	7.7	15.8	7.8	15.1
£250	9.4	20.8	14.7	25.5	14.5	23.7
£290	16.5	33.0	23.2	41.9	22.6	38.7
£310	20.3	38.3	27.5	47.4	26.9	43.9
Hourly Earnings						
£5.00	2.6	4.9	4.1 ^b	6.7 ^b	4.0 ^b	5.7 ^b
£5.50	5.2	9.6	8.0 ^a	11.8 ^a	7.5 ^b	11.1 ^b
£6.00	8.5	14.8	12.9 ^a	18.1 ^a	12.3 ^a	16.8 ^a
£6.50	12.4	20.2	17.9	24.8	16.8 ^a	22.7 ^a
£7.00	16.5	25.7	22.9	31.8	21.6 ^a	28.3 ^a
£7.50	20.8	31.4	27.1	39.2	25.1 ^a	35.78 ^a
£8.00	25.3	36.5	32.4	45.5	30.9	41.1

^a Reasonably precise, CV >5% and <=10%

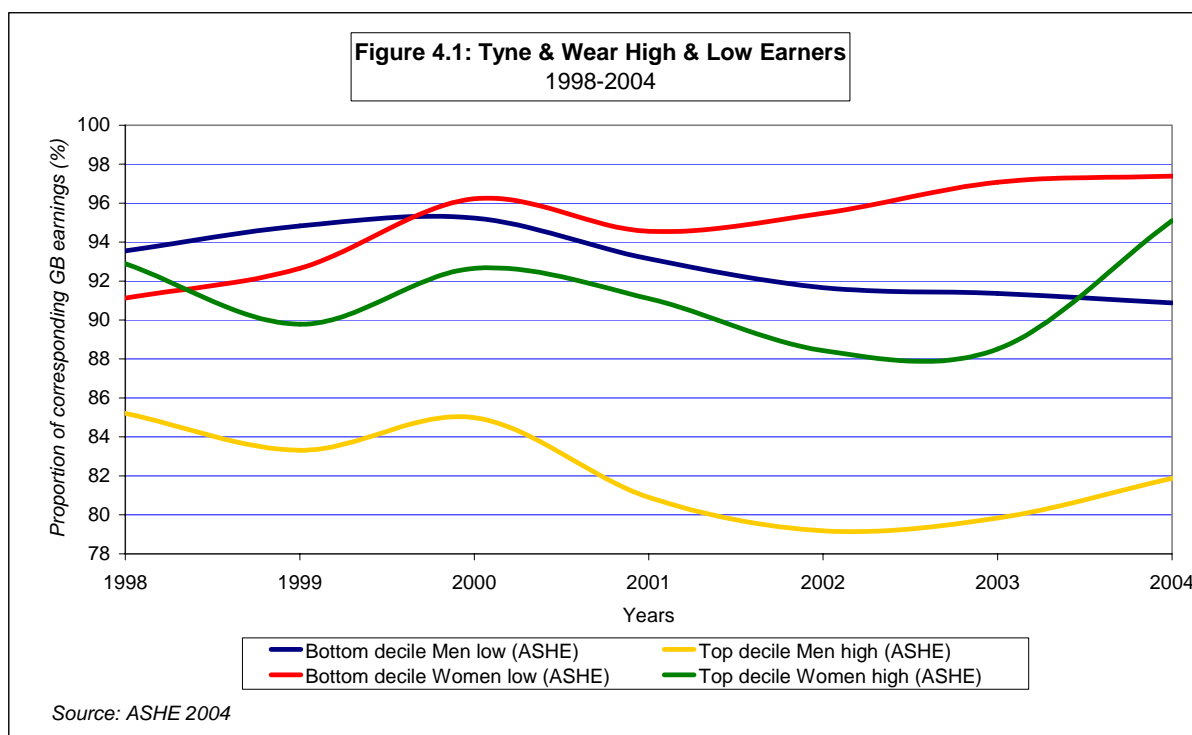
^b Acceptable, CV >10% and <=20%

* ONS was unable to provide data on the amount of people earning under £4.50 (NMW)

Source: Annual Survey of Hours and Earnings 2004 (Specially Requested from ONS).

Table 4.2 gives data on low pay from ASHE. The data below cannot be used to judge how many people would fall below the new National Minimum Wage (NMW). This is because the ASHE table only includes full-time employees and only people on adult rates. Around 4.0% of men in Tyne & Wear earned less than £5.00/hr, compared to 4.1% in the North East and 2.6% in Great Britain. 5.7% of women in Tyne & Wear earned less than £5.00/hr compared to 6.7% in the North East and 4.9% in Great Britain.

In 2003/04, top earnings continued to rise as a proportion of Great Britain earnings, for both men and women (see Figure 4.1). For women, low earnings also moved closer to the equivalent Great Britain level since 2001 from a notable drop in 1998. For men, low earnings have continued to fall in proportion to Great Britain earnings since 2000. The percentage disparity from 1998-2004 between earnings in Tyne & Wear and Great Britain is greatest for highest-paid men. In percentage terms, top and bottom earnings were 2.6-18% below the Great Britain average, with the greatest disparity noted in men's earnings.



4.1 The National Minimum Wage (NMW)

Table 4.3: Employees earning below National Minimum Wage (NMW) 1998-2004

	1998		1999		2000		2001		2002		2003		2004*	
	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%
North East	90	9.3%	30	3.3%	...	...	...	...	...	...	...	...	18 ^b	1.8% ^b
UK	1,420	6.0%	530	2.2%	240	1.0%	250	1.0%	330	1.3%	260	1.0%	272	1.1%

... sample size too small for reliable estimate

^b Acceptable, CV >10% and <=20%

*The 2004 estimates are based on ASHE data only. The new ASHE methodology allows publication of smaller estimates than the old low pay methodology.

Source: ONS Website – <http://www.statistics.gov.uk/StatBase/>

ONS has stopped issuing estimates of low pay for Tyne & Wear and the rest of the North East, which TWRI previously published. These results were from the Labour Force Survey (LFS) only and related to employee main jobs. LFS tended to overestimate low pay.

The proportion of employees earning below NMW in the North East has fallen between 1998 and 2004, from 9.3% of the population, to 1.8% (Table 4.3). The 2004 result is unlike earlier results for those earning below NMW, as it is not based on 'adjusted LFS and NES' estimates, but entirely on ASHE estimates.

The statutory NMW was introduced on 1st April 1999 at £3.60/hr for people aged 21 and over. The table below shows the changes in NMW up to October 2005.

Statutory National Minimum Wage (NMW) (for those over 21 years)	
01 April 1999	£3.60/hr
01 October 2000	£3.70/hr
01 October 2001	£4.10/hr
01 October 2002	£4.20/hr
01 October 2003	£4.50/hr
01 October 2004	£4.80/hr
01 October 2005	£5.05/hr

5 INCREASES IN EARNINGS

This section focuses on rises in earnings. The highest and lowest deciles (10%) of earners are considered.

Caution: It should be noted that rises in earnings are particularly affected by sampling error as they are subject at both the beginning and the end of the period. The data used are ASHE 2004 and the 2003 ASHE-type.

IMPORTANT: As the 2003 results for Tyne & Wear were exceptionally (and incredibly) low, the reported changes here are inflated. This distortion may be as much as 3 percentage points [-TWRI's judgement]. The 2003 results are effectively from an unrepresentative sample.

5.1 Increases in 2003/2004

Between 2003 and 2004, the overall reported rise in earnings was 3.3 percentage points larger in Tyne & Wear (7.1%) than in Great Britain (3.8%), (Table 5.1). In 2004, Men's earnings rose by 5.6% in Tyne & Wear compared to 3.4% in Great Britain. Women's earnings rose at a much higher rate than the rest of Great Britain as well (TW 10.8%, GB 4.8%).

*Caution: *TWRI believes that because the 2003 results for TW were about 3% too low; these reported rises for 2003/04 are correspondingly about 3 percentage points too high.*

Table 5.1: Percentage increases in weekly earnings (excluding overtime) 2003/2004

	Great Britain		Tyne & Wear	
	AVERAGE	MEDIAN	AVERAGE	MEDIAN
Men & Women	3.8	4.2	7.1*	8.6*
Men	3.4	4.3	5.6*	6.0*
Women	4.8	4.6	10.8*	9.0*

Source: Annual Survey of Hours and Earnings 2003 and 2004 (Tables 7.2a) with TWRI calculations.

Earnings growth in 2003/04 tended to widen the dispersion of earnings. During 2003/04, earnings for the lowest ten percent of men in Tyne & Wear increased at a slower rate in comparison to Great Britain (GB 3.2%, TW 1.8%). Women's earnings for the bottom decile in Tyne & Wear also increased at a slower rate than those of Great Britain (GB 3.9%, TW 3.1%).

Top decile earnings for men in Tyne & Wear rose at a much faster rate compared to those of Great Britain (GB 3.7%, TW 6.4%). Women's earnings in the top decile in Tyne & Wear particularly rose at a much faster rate compared to Great Britain (GB 5.1%, TW 10.0%).

ASHE and NES COMPARISON

As can be seen from Table 5.1.1, there are some differences between NES and ASHE results for rises in earnings, for which the latest is the previous year (2002/03). This comparison, before the (low) 2003 results shows that these differences are more marked in Tyne & Wear, with overall ASHE being 1.3 percentage points faster than NES. In all cases, rises in ASHE are much faster than NES for the same area. The reasons for this have been explained in § 2.

Table 5.1.1 : Percentage increases in weekly earnings (ASHE and NES) (2002/2003)*

	Great Britain		Tyne & Wear*	
	ASHE	NES	ASHE	NES
Men	3.0	2.7	1.6	0.2
Women	3.6	3.7	3.9	2.7

Source: Annual Survey of Hours and Earnings 2002, 2003, and NES 2002, 2003 (Tables 7.1a and Part A, Tables A21, A22, and A23) with TWRI calculations.

* Including overtime

* TWRI believes these TW results for 2003 under-state actual rises in earnings.

5.2 Increases in earnings, 1998-2004

Comparisons are made over seven years to reduce the distortion of sampling error (see Table 5.2). Earnings for men & women are the lowest of all Met. Counties in both 2003 and 2004, and are the second-lowest for the previous 5 years. In 2004, women's earnings were joint third-lowest, illustrating the increase in Tyne & Wear women's earnings compared to the rest of the metropolitan counties.

Between 1998-2004, men's & women's earnings had the third-slowest rise (27.0%). Men's earnings from 1998-2004, were the second-slowest to increase, (23.2%) after Merseyside (19.5%). The rise in women's earnings from 1998-2004, (37.3%) was on average 10 percentage points faster than the rise in men's earnings (27.0%). Indeed, Tyne & Wear women had the fastest rise in earnings for the period of 1998-2004 by 1 percentage point (from South Yorkshire, 36.0%).

Table 5.2: Gross average weekly earnings in Metropolitan Counties, 1998-2004

	Average Weekly Wage (£)							% Change	
	1998	1999	2000	2001	2002	2003	2004	1998-2004	2003-2004
Men & Women									
London	515.7	536.5	571.5	606.6	641.3	659	680.1	31.9	3.2
W. Midlands	374.7	395.2	403.7	436.5	450.8	456.7	472.5	26.1	3.5
G. Manchester	367	384.7	397.9	418.4	434.4	450.1	473.5	29.0	5.2
Merseyside	368.9	378.3	393.9	419.2	433.8	427	452.8	22.7	6.0
W. Yorkshire	356.1	375.1	389.6	409.1	426.1	449.8	465.2	30.6	3.4
Tyne & Wear	349.1	359.5	379.5	391.7	404.7	413.7	443.2	27.0	7.1
S. Yorkshire	344.9	353.9	367.9	383.6	402	421.1	445.8	29.3	5.9
Men									
London	586.2	607.2	646.6	685	723.3	743.5	765.4	30.6	2.9
W. Midlands	418.3	436.2	448	481.4	494.8	501.5	516.7	23.5	3.0
G. Manchester	410.8	430.4	443.8	465.1	481	500.6	524.2	27.6	4.7
Merseyside	415.5	427.4	442.7	470.8	487.3	472.4	496.5	19.5	5.1
W. Yorkshire	391.7	412.5	429.1	447.8	469	495.6	507.1	29.5	2.3
Tyne & Wear	387.2	394.4	415.3	430.7	444.8	451.8	477.2	23.2	5.6
S. Yorkshire	378.8	385.6	402.2	416.1	433.8	455.5	482.3	27.3	5.9
Women									
London	410.2	430.2	456.6	486.2	517.2	528	548.2	33.6	3.8
W. Midlands	295.2	318.1	321.8	354.3	371.3	376.7	393.7	33.4	4.5
G. Manchester	295.6	309.9	322.6	343.6	361.2	373	399.3	35.1	7.1
Merseyside	301.5	308.4	321.6	343.7	357.7	368.2	390.9	29.7	6.2
W. Yorkshire	295.7	313.4	323	345.1	355.5	376	398.8	34.9	6.1
Tyne & Wear	286.8	302	316.3	330.1	342.1	355.4	393.7	37.3	10.8
S. Yorkshire	284.3	300.2	307.4	328.4	346	362	386.7	36.0	6.8

Source: Annual Survey of Hours and Earnings 1998 – 2004 (Tables 7.1a) and TWRI calculations.

The median shows a generally similar relationship to that of average earnings when Tyne & Wear is compared to other metropolitan counties (Table 5.2.1). In men's and women's earnings between 1998-2004, the rate of increase in earnings was 25.2%, 2 percentage points smaller than for the average.

Similarly, men's earnings, measured by the median, rose by 20.5% (1998-2004), nearly 3 percentage points lower than measured by the average.

Women's median earnings rose by 34.9% between 1998-2004, 2 percentage points slower than the rise in women's average earnings.

The faster rise in average earnings arose because higher earners rose more quickly than earnings generally.

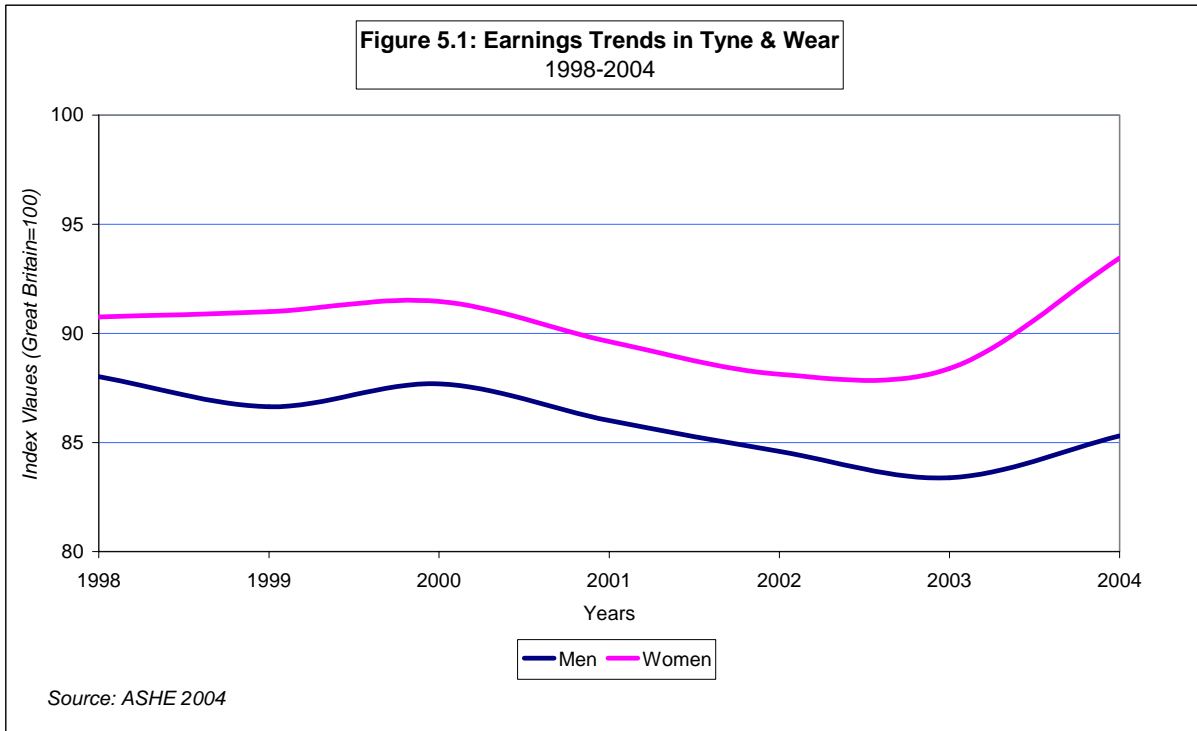
Table 5.2.1: Gross median weekly earnings in Metropolitan Counties, 1998-2004

	Median Weekly Wage (£)							% Change	
	1998	1999	2000	2001	2002	2003	2004	1998-2004	2003-2004
Men & Women									
London	419	433	460	479.9	501.1	521.4	540.8	29.1	3.7
W. Midlands	329.9	337.9	348.7	371.7	383.5	391.1	404.3	22.6	3.4
G. Manchester	317.6	331.5	342.9	353.4	371	379.7	393.5	23.9	3.6
Merseyside	315	329.2	337.2	355	364.4	364.7	384.7	22.1	5.5
W. Yorkshire	314.7	326.4	340	349.9	361.1	379.8	391.9	24.5	3.2
Tyne & Wear	303.9	315.9	337.4	342.4	345.5	350.5	380.6	25.2	8.6
S. Yorkshire	311.9	314.7	326.9	340.4	354.6	370.6	395.2	26.7	6.6
Men									
London	468.2	480.3	507.3	531.3	551.4	575.8	597	27.5	3.7
W. Midlands	371.8	378.7	387.8	410.6	422.3	431.1	446.7	20.1	3.6
G. Manchester	355.1	371.5	375	388	408.3	414.8	436	22.8	5.1
Merseyside	361.7	374.9	375.8	392.3	398.4	401.9	435.5	20.4	8.4
W. Yorkshire	345.5	357.7	375.8	383.9	395	416.3	426.1	23.3	2.4
Tyne & Wear	345.8	350.8	380.6	390.1	383.9	393.1	416.6	20.5	6.0
S. Yorkshire	340.4	346.8	363.2	374.9	381.8	402.6	435.2	27.8	8.1
Women									
London	364.6	379.6	393.5	422.3	443.4	460.7	478.3	31.2	3.8
W. Midlands	261.2	275.4	283.9	305.1	311	319.9	337.2	29.1	5.4
G. Manchester	260.7	274.8	287.2	300.5	316.7	326.8	342.5	31.4	4.8
Merseyside	264.1	274.5	278.7	299.9	316.7	324.3	333.3	26.2	2.8
W. Yorkshire	259.9	277.1	282.3	298.7	310.9	322.3	345.4	32.9	7.2
Tyne & Wear	248.1	259.4	276.2	280.1	289.8	307	334.7	34.9	9.0
S. Yorkshire	244.7	249.7	260	278.7	292.6	314.5	341.8	39.7	8.7

Source: Annual Survey of Hours and Earnings 1998 – 2004 (Tables 7.1a) and TWRI calculations.

5.3 Trends in earnings relative to GB 1998-2004

Relative to GB, from 1998-2004, for most of the period Tyne & Wear earnings declined by about 3 percentage points (up to 2002) (Figure 5.1). This decline was sharply reversed in 2004. In this short period, women's earnings have, however, improved in relation to Great Britain earnings (reaching 93% of GB in 2004).



6 COMPARISONS WITH OTHER COUNTIES

6.1 Other Counties and Unitary Authorities in England

For men & women, Tyne & Wear's earnings are 60th among the (87)¹⁴ English counties, Metropolitan counties and Unitary counties that data was available for (Table 10). Men's earnings in Tyne & Wear rank 62nd out of the data available for 87 areas. Women's earnings in Tyne & Wear rank 40th out of the 86 counties.

6.2 Other Counties and Unitary Authorities in the North East

Earnings in Tyne & Wear are fairly typical of other counties and unitary authorities in the North East (see Table 6.1). There is not a great range of earnings, with the widest range observed with men's earnings. Durham men earn £94.7 a week less than their counterparts in Redcar & Cleveland, with Tyne & Wear men falling above the middle of the Unitary Authorities. Tyne & Wear women's earnings are the second-highest, with the exception of only Redcar & Cleveland. Women in Tyne & Wear earn £54.60 a week more than their counterparts in Darlington.

Occasionally, the median is very different from the average. For example, in Stockton, men's average earnings are £83.1 (£4,321.2 pa) above the median. In Redcar & Cleveland, women's average earnings are £100.4 (£5,220.8 pa) above the median. These large gaps between the average and the median indicate either a distribution with a high proportion of relatively high earners or a (smaller) high proportion of very high earners.

- Overall, Tyne & Wear's average earnings were £53 pw (£2,756 pa), less than in Redcar & Cleveland, increasing the gap hugely (but unreliably) from 2003.
- Men's average earnings in Tyne & Wear were £60.1 pw (£3,125.2 pa), less than in Redcar & Cleveland. This gap has nearly doubled since 2003.
- Women's average earnings in Tyne & Wear were the second-highest of all the Unitary Authorities sampled (£393.7), only £4.2 less than Redcar & Cleveland (£397.9 pa). This is a big fluctuation from 2003 figures when Tyne & Wear women earned £46.7 (£2,428.4 pa) more than in Redcar & Cleveland.

Caution: Errors will be relatively larger when using smaller samples such as for Unitary Authorities and Northumberland.

¹⁴ There are 87 English counties, Metropolitan counties and Unitary Authorities. Hartlepool is a new addition from last year. Only 86 counties could be compared within women's median earnings.

Table 6.1: Average and median weekly earnings in Unitary Authorities in the NE (£)*

	Men & Women				Men				Women					
	Average Earning	Rank in England	Median Earning	Rank in England		Average Earning	Rank in England	Median Earning	Rank in England		Average Earning	Rank in England	Median Earning	Rank in England
Redcar & Cleveland	496.2 ^a	26	472.3 ^a	11	Redcar & Cleveland	537.3 ^a	29	514.8 ^a	13	Redcar & Cleveland	397.9 ^b	34	297.5 ^b	76
Stockton-on-Tees	463.1	44	390.6 ^a	54	Stockton-on-Tees	519.8 ^a	40	436.7 ^a	47	Tyne & Wear	393.7	40	334.7	43
Tyne & Wear	443.2	60	380.6	63	Tyne & Wear	477.2	62	416.6	64	Durham	374.5	54	306.6 ^a	67
Middlesbrough	432.6 ^a	69	357.0 ^a	76	Middlesbrough	474.2 ^a	65	392.8 ^a	77	Middlesbrough	372.9 ^a	57	319.4 ^b	59
Darlington	418.6	77	367.8 ^a	73	Hartlepool	472.5 ^a	69	372.7 ^b	84	Northumberland	368.1	63	302.9 ^a	71
Hartlepool	415.6 ^a	79	340.4 ^b	83	Darlington	459.8 ^a	77	413.6 ^a	65	Stockton-on-Tees	341.2 ^a	79	283.9 ^a	80
Durham	414.1	80	355.8	77	Northumberland	447.1	79	398.5 ^a	75	Darlington	339.1	81	321.5 ^a	56
Northumberland	410.8	81	350.5 ^a	80	Durham	442.6	83	382.7	82	Hartlepool	286.9 ^a	87	250.2 ^b	86

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

* In rank order

Source: Annual Survey of Hours and Earnings 2004 (Table 7.1a)

ASHE and NES COMPARISON (2003)

Generally, ASHE data are higher for the same area, compared to NES data (Table 6.1.1 and Figure 6.1), are different. For men & women, ASHE is higher except for Redcar & Cleveland.

- Some of the largest differences in earnings estimates are in Tyne & Wear and Northumberland.
- Women's earnings are more likely to be *lower* with ASHE, than with NES (in 3 of the 6 areas). This could be because the ASHE methodology has picked up more low pay.
- It is noted that these small changes in average weekly earnings are large when considered annually (i.e. Northumberland men £790.4 pa).

Table 6.1.1: Average ASHE and NES weekly earnings in Unitary Authorities in the NE (£)(2003) #

Men & Women			Men			Women		
	ASHE	NES		ASHE	NES		ASHE	NES
	Average Earnings			Average Earnings			Average Earnings	
Redcar & Cleveland	<u>427</u>	429.4	Redcar & Cleveland	<u>482.8^a</u>	486.4	Durham	<u>359.1</u>	363.5
Middlesbrough	415.3 ^a	404.9	Middlesbrough	465.9 ^a	...	Tyne & Wear	355.4	351.3
Tyne & Wear	413.7	403.5	Stockton-on-Tees	462.2	455.1	Middlesbrough	<u>347.2^a</u>	349.4
Stockton-on-Tees	410.9	406.8	Tyne & Wear	451.8	438.1	Northumberland	347.2	347.2
Northumberland	406.9	399.2	Northumberland	448.4	433.2	Stockton-on-Tees	<u>325</u>	326.9
Durham	395.2	393.6	Darlington	443.8	438.5	Redcar & Cleveland	308.7 ^a	...
Darlington	389.6	382.8	Durham	419.5	414.1	Darlington	300.1	298.5

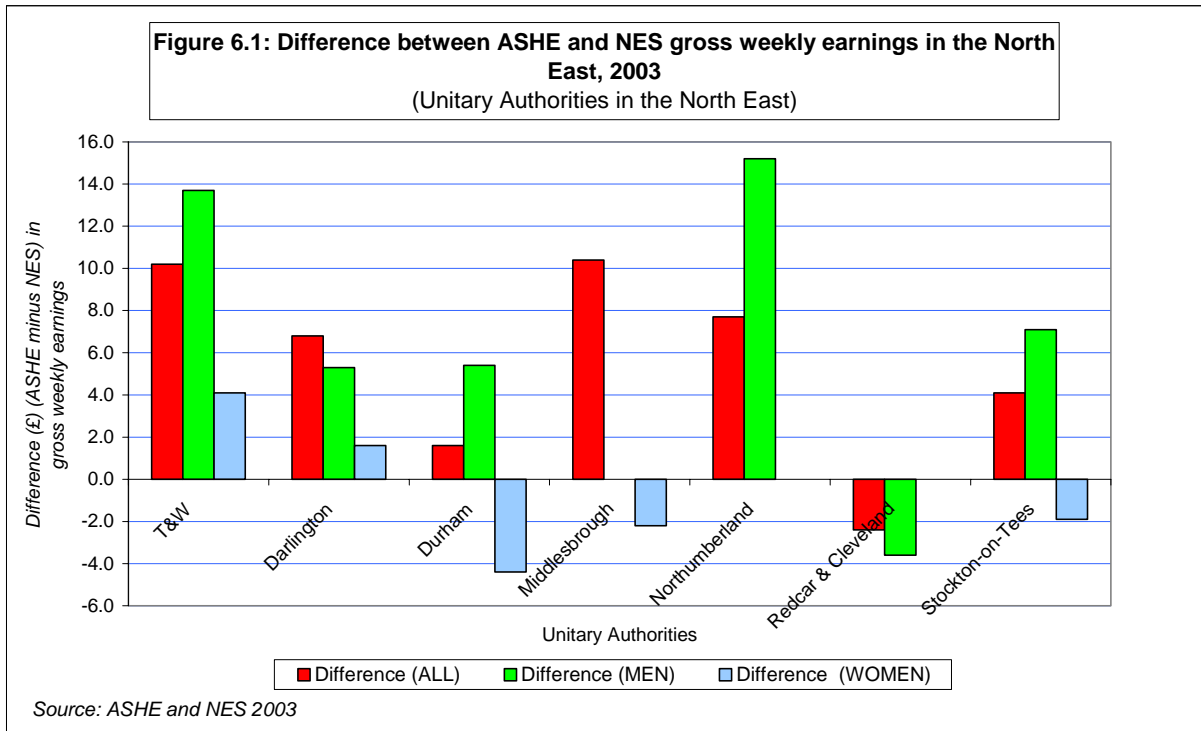
^a Reasonably precise, CV >5% and <=10%

... sample size too small for reliable estimate

* Hartlepool is not included in this analysis as there are no results from NES 2003 to compare to.

Lower ASHE figures underlined, and in rank order

Source: Annual Survey of Hours and Earnings 2003, NES 2003 (Tables 7.1a and Part A tables A21, A22, and A23, respectively.)



6.3 Other Metropolitan Counties

All earnings and men's earnings remain the lowest of the seven metropolitan counties (Table 6.2). Women's earnings are fourth-highest of all metropolitan counties. This structure of earnings has been very stable over the last 7 years. Nevertheless, Greater Manchester has displaced West Midlands for the highest earnings outside Greater London.

Comparisons with other metropolitan counties are a more sensitive measure of change and are more meaningful than comparisons with Great Britain. This is because Great Britain averages are not typical of most of the country, being strongly affected by Greater London's high level of earnings.

Table 6.2: Gross average and median weekly earnings in Metropolitan Counties (£)*

Men & Women			Men			Women		
	Average	Median		Average	Median		Average	Median
London	680.1	540.8	London	765.4	597	London	548.2	478.3
W. Midlands	<u>472.5</u>	<u>404.3</u>	W. Midlands	<u>516.7</u>	<u>446.7</u>	W. Midlands	<u>393.7</u>	337.2
G. Manchester	473.5	393.5	G. Manchester	524.2	436	G. Manchester	399.3	342.5
Merseyside	452.8	384.7	Merseyside	496.5	435.5	Merseyside	390.9	333.3
W. Yorkshire	465.2	391.9	W. Yorkshire	507.1	426.1	W. Yorkshire	398.8	<u>345.4</u>
S. Yorkshire	445.8	395.2	S. Yorkshire	482.3	435.2	S. Yorkshire	386.7	341.8
Tyne & Wear	443.2	380.6	Tyne & Wear	477.2	416.6	Tyne & Wear	393.7	334.7

Lowest in bold, and those that are underlined are highest (excluding London).

* In rank order

Source: Annual Survey of Hours and Earnings 2004 (Table 7.1a)

Excluding London, the *range* of earnings for metropolitan counties involves directly comparing Tyne & Wear with Greater Manchester (except women, for whom South Yorkshire is lowest).

- Overall, Tyne & Wear average earnings are £30.3 pw (£1,576 pa) less than Greater Manchester;
- Men's earnings are £47 pw (£2,444 pa) less than in Greater Manchester;
- Women's earnings in South Yorkshire are £12.6 pw (£655.2 pa) less than in Greater Manchester.

ASHE and NES COMPARISON

The 2003 earnings dataset is used to analyse the differences between NES and ASHE estimates in the metropolitan counties (see Table 6.2.1). The key findings are:

- The greatest differences between the estimates of earnings are in London, in relation to all earnings (£22.1) and men (£27.0, £1,404pa) and women's earnings (£11.5) separately. ONS' has highlighted its increased weighting of occupational groups 1-3 in London and the South East for 2003. (ONS did this because of the higher estimates of these occupations in the LFS compared to NES).
- Tyne & Wear's difference for overall earnings is third-highest (£10.2). Men's earnings difference (£13.7) is third-highest (not including London); and the difference in women's earnings is the highest, after London.

Table 6.2.1: Gross average weekly NES and ASHE earnings in Metropolitan Counties (£) (2003)*

Men & Women			Men			Women		
Average Earnings			Average Earnings			Average Earnings		
	ASHE	NES		ASHE	NES		ASHE	NES
London	659	636.9	London	743.5	716.5	London	528	516.5
W. Midlands	<u>456.7</u>	<u>448.2</u>	W. Midlands	<u>501.5</u>	<u>490.5</u>	W. Midlands	<u>376.7</u>	<u>374.4</u>
G. Manchester	450.1	440.1	G. Manchester	500.6	487.1	W. Yorkshire	376	369
W. Yorkshire	449.8	434.6	W. Yorkshire	495.6	475.8	G. Manchester	373	370.8
Merseyside	427	416.9	Merseyside	472.4	457.2	Merseyside	368.2	366.5
S. Yorkshire	421.1	414	S. Yorkshire	455.5	445.6	S. Yorkshire	362	360.2
Tyne & Wear	413.7	403.5	Tyne & Wear	451.8	438.1	Tyne & Wear	355.4	347.3

Lowest in bold, and those that are underlined are highest (excluding London).

** In rank order*

Source: Annual Survey of Hours and Earnings 2003, and NES 2003 (Tables 7.1a and Part A, Tables A21, A22, and A23, respectively).

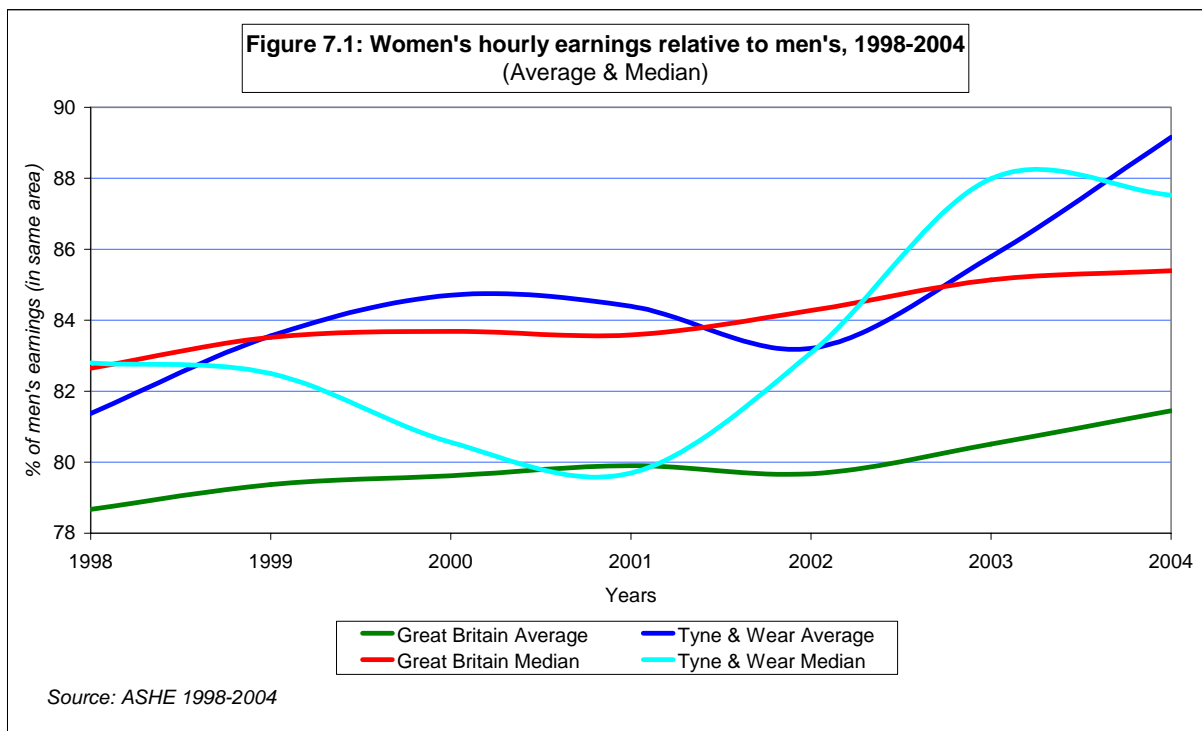
7 WOMEN'S EARNINGS COMPARED TO MEN'S

This section considers the extent to which women's earnings have been closing the gap with men's earnings. The term "weekly ratio" refers to the ratio of women's weekly earnings to men's weekly earnings and the "hourly ratio", excluding overtime, is the ratio of women's to men's hourly earnings.

When comparing women's earnings to men's there is less distortion when looking at hourly earnings rather than weekly earnings as this excludes differences due to hours and overtime payments.

In Tyne & Wear, women's earnings have risen relative to men's, at about 3 times as quickly as in Great Britain. In the last six years, the ratio of women's average hourly earnings compared to men's has risen only 2.7 percentage points for Great Britain, but 7.8 percentage points in Tyne & Wear. In 2004, Tyne & Wear's women's average hourly pay was 89% of men's, a large rise from 2003 of 3.4 percentage points, compared to a 1 percentage point rise for Great Britain (81%), (Figure 7.1). Even with a marked fall in 1998, and despite a slight dip in 2001-2, the trend is clear that women are continuing to narrow the hourly pay gap with men in Tyne & Wear. In the period 1998-2001 in Tyne & Wear, the average hourly pay gap narrowed by 3 percentage points, compared to only 1 percentage points in Great Britain.

- The *median* woman's earnings in Tyne & Wear have risen *less steeply* than the average (both TW as a % of GB) (Figure 7.1). Median earnings rose 4.7% in relation to GB. Average earnings rose 7.8% in relation to GB.
- The percentage increase for relative earnings of women from 1998 – 2004, is generally more positive when using average data compared to median data, with an increase of 7.8% compared to 4.7% respectively.
- In GB the opposite pattern shows a rise of the median relative to the average (up 2.7 percentage points). These patterns show that amongst women, it is high earners in TW who have been relative 'gainers'. In GB, conversely, the bulk of women, shown by the median, are relatively closer (85.4%) to men's earnings; in GB the average women's earnings are lower (81.4%) in relation to men's.
- In Great Britain both ratios had the same increase of 2.7 percentage points over the 7 years.



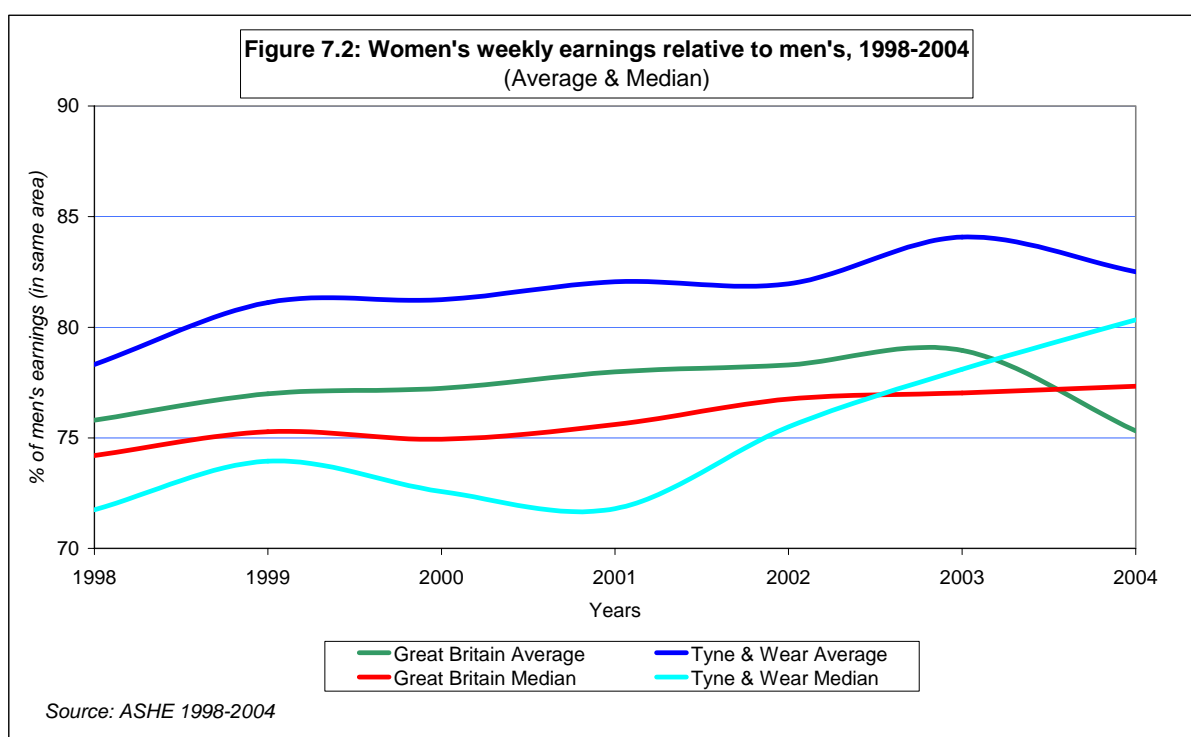
Women's weekly average earnings in Tyne & Wear are much closer to men's average earnings than in Great Britain, by over 7 percentage points (Figure 7.2). In 2004, average weekly earnings for women in Tyne & Wear were 82.5% of men's (GB 75.3%). Women's *median* weekly earnings were however, only 3 percentage points closer (80.3% of men's, GB 77.3%).

Taking the average, the ratio of women's weekly earnings to men's in Great Britain has been on a negative trend (-0.5%, compared to 3.1% for the median). ASHE picking up rising men's earnings could cause this negative trend in Great Britain's earnings ratio (between men and women). In contrast, in Tyne & Wear, the women's trend has been positive between 1998–2004 (up 4.2 percentage points on average, up 8.6 percentage points on the median).

Caution: Tyne & Wear's much weaker growth in men's earnings, has 'helped' women's earnings (at least on this relative ratio).

One reason for the narrowing trend of the pay gap between men and women over the last 10-15 years is that women are returning to work more quickly after maternity. More years of work can be expected to mean more women reach higher-paid jobs.

Secondly, women are now a majority of the entrants into higher-paid professions such as law and medicine.

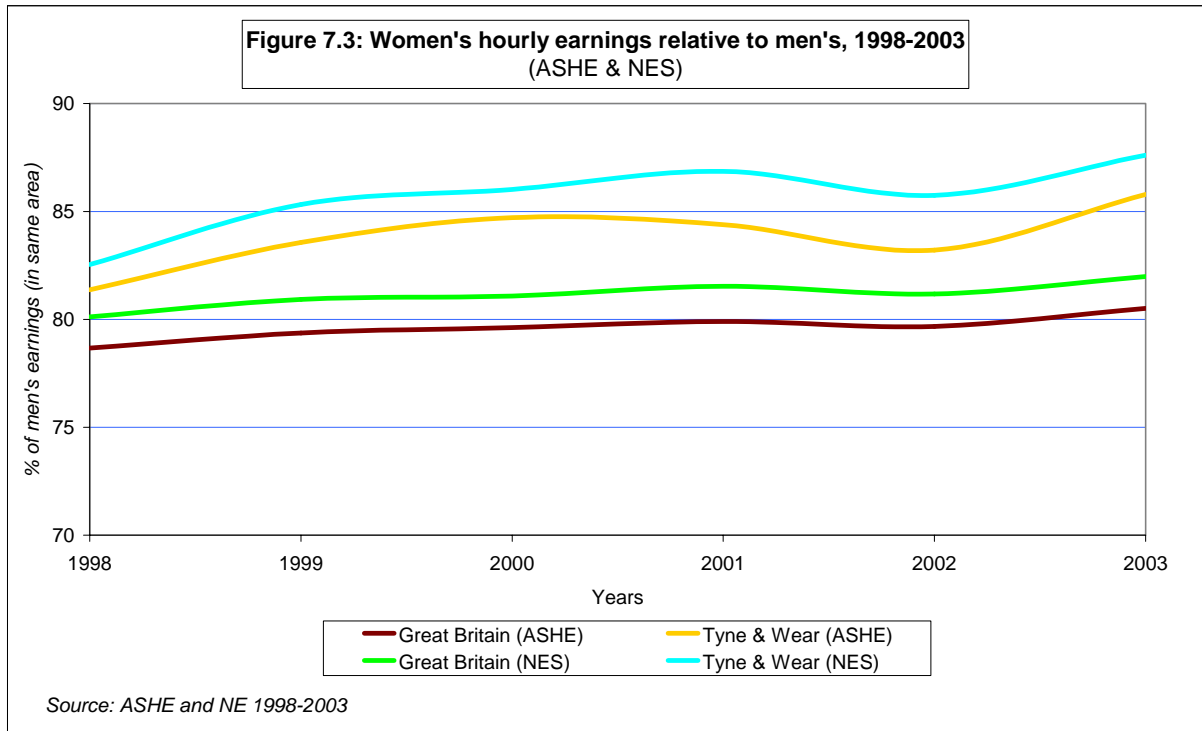


Caution: These averages do not reveal the differences in rates of pay for comparable jobs, as they do not allow for the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in jobs.

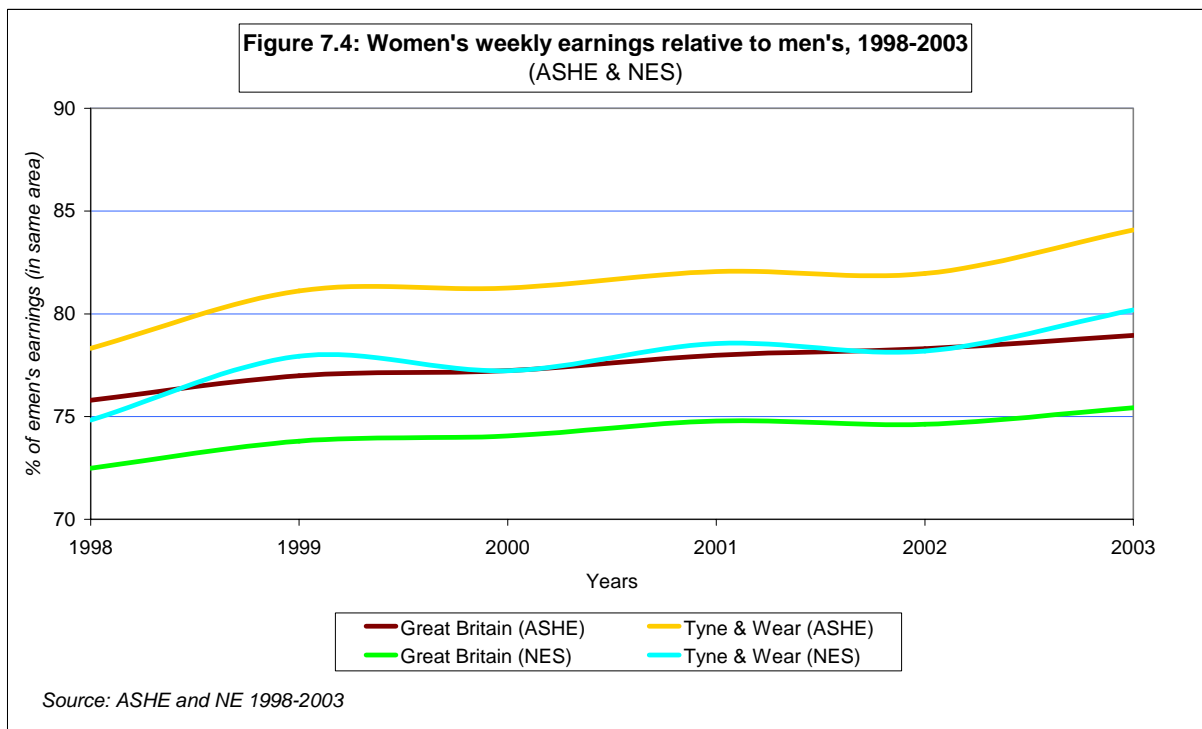
ASHE and NES COMPARISON

Comparisons between NES and ASHE are made for 1998-2003; although not a particularly lengthy period, this shows:

- The ASHE methodology has reduced the ratio of women's to men's earnings in both Tyne & Wear and Great Britain (Figure 7.3).



- The gender pay gap is larger under the ASHE, using average hourly earnings.
- Nevertheless, it has narrowed over the past 6 years under both the NES and ASHE measures.
- However, women's *weekly* earnings relative to men's earnings are *higher* in the ASHE survey compared to NES' ratios (see Figure 7.4). The difference between NES and ASHE in hourly earnings' ratio is around 6 percentage points for both Tyne & Wear and Great Britain. For weekly earnings, however, the percentage point gap is between 3 and 3.5.
- A reason for the discrepancy between hourly and weekly earnings could be the slight rise in recent years of women's hours worked (due to a corresponding rise in overtime). However, the use of weekly earnings to determine the gender pay gap is not wise. Using hourly earnings (excluding overtime) remains the better measure.



8 PUBLIC & PRIVATE SECTOR EARNINGS

This section considers the differences between public sector earnings and private sector earnings. Data on the two sectors was obtained from ONS by special request. Weekly and hourly rates of pay are compared, as well as the distribution of gross weekly earnings. The difference in hours worked and average overtime worked are also considered. The data presented is for Great Britain, England, North East, and Tyne & Wear for men and women employees.

All employees and male employees working in the public sector in Great Britain and England earn less per week than those employed in the private sector (Table 12). However, in Tyne & Wear and the North East, public sector employees earn more than those in the private sector. Women earn more in the public sector than the private sector, both nationally and locally. Public sector hourly earnings are greater, but the average number of hours worked per week and overtime hours worked, are less than in the private sector (see Table 8.3).

In both the public and private sector, weekly and hourly earnings are lower in Tyne & Wear and the North East, than in Great Britain and England (Table 8.1). This pattern is evident in all earnings data contained in the ASHE.

In both sectors, hourly and weekly earnings are greater in England than the Great Britain average. Tyne & Wear is however, higher than the North East (see Table 8.1).

In Tyne & Wear, the large complexes of the Department of Work and Pensions (DWP) probably depress the public sector average earnings to some extent. Conversely, the lower private sector earnings in the rest of the North East probably reflect their generally weaker labour markets, and the higher-level private sector occupations in Tyne & Wear.

Table 8.1: Average full-time earnings of public and private sector employees on adult rates

	£'s per week			Pence per hour (excludes overtime)		
	ALL EMPLOYEES	MEN	WOMEN	ALL EMPLOYEES	MEN	WOMEN
Public sector employees						
Tyne & Wear	465.1	516.1	423.1	1247	1347	1161
North East	455.8	502.1	419.9	1234	1315	1169
England	505.3	558.4	458.4	1350	1443	1264
Great Britain	499.7	551.8	453.8	1333	1420	1249
TW as a % of GB	93.1%	93.5%	93.2%	93.5%	94.9%	92.9%
Private sector employees						
Tyne & Wear	426.6	460.4	349.7	1046	1105	908
North East	425.0	464.4	332.5	1036	1106	863
England	521.5	572.4	407.9	1294	1393	1065
Great Britain	512.0	559.1	398.1	1269	1358	1040
TW as a % of GB	83.3%	82.3%	87.8%	82.4%	81.3%	87.3%

Source: Annual Survey of Hours and Earnings 2004 (Tables 13.1a & 13.6a) & Specially Requested from ONS.

Private sector top and bottom earners are further from the average than in the public sector, where earnings are more compressed. In the public sector a smaller proportion of employees are on low pay than in the private sector (see Table 8.2).

Table 8.2: Distribution of full-time public and private sector gross weekly earnings (£)

	Great Britain			England			North East			Tyne & Wear		
	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women
Public-sector employees												
Top decile	766.7 ^b	849.6	693.5	778.5 ^b	859.3	699.3	690.0 ^b	746 ^b	637.7 ^a	727.1 ^b	773.3	651.5
Bottom decile	257.1	280.6	244.1	260.3	285.3	245.4	242.1	246.0	239.9	241.3 ^a	253.2	234.0
Private-sector employees												
Top decile	867.2 ^a	940.7	667	887.5 ^b	959.7	685.5	688.7 ^b	738.4 ^a	538.2 ^b	698.1 ^b	737.2 ^b	575.9
Bottom decile	223.0	245.3	195.1	225.5	249.6	197.7	203.5	224.9	178.8	204.5	223.3	186.7

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Source: Annual Survey of Hours and Earnings 2004 (Table 7.1a) and Specially Requested from ONS

In all areas, public sector employees work about 3 hours fewer per week (including overtime) than in the private sector (see Table 8.3). In Tyne & Wear, male public sector employees work 38.5 hours per week (including 1.5 hours overtime) compared to 41.4 hours (including 2.8 hours overtime) in the private sector, basic hours of 37 hours and 38.6 hours respectively.

Table 8.3: Average hours worked and overtime of public and private sector employees

	Great Britain			England			North East			Tyne & Wear		
	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women
Public-sector employees												
Average hrs worked (inc. overtime)	37.6	39	36.3	na	38.9	36.3	na	38.3	36.0	na	38.5	36.5
Average overtime (hrs)	1.2	1.8	0.6	na	1.7	0.6 ^a	na	1.3 ^b	0.6 ^b	na	1.5 ^b	0.6 ^b
Private-sector employees												
Average hrs worked (inc. overtime)	40.5	41.5	38.4	na	41.5	38.4	na	41.8	38.5	na	41.4	38.4
Average overtime (hrs)	1.8	2.3	0.9	na	2.3	0.9 ^a	na	2.8 ^a	1.2	na	2.8 ^a	1.2 ^b

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Source: Annual Survey of Hours and Earnings 2004 (Tables 13.9a and 13.11a)

ASHE AND NES COMPARISON

- Research from ONS¹⁵ has indicated that the impact of weighting for the public and private sectors is fairly consistent over time. Weighting has raised the private sector earnings estimates more than the public sector, because there are higher earners in the private sector.
- However, when considering the effect of ASHE on Tyne & Wear, we must highlight the generally higher earnings in the public sector vs. private. It is possible that ONS' methodology has distorted its results outside London & the SE by simply assuming the same occupational structure, which should not be applied to Tyne & Wear in relation to public vs. private sectors.

¹⁵ Please refer to: Daffin, C. 2004. 'An analysis of historical ASHE data 1998-2003' in ONS' Labour Market Trends, Vol. 112 (12), pp 493-504.

9 HOURLY EARNINGS AND HOURS OF WORK

9.1 Hourly Earnings

Hourly earnings may give a better indication of underlying changes in earnings as they exclude the effects of changes in hours and in overtime payments.

Caution: Movements in total hours and in overtime are cyclical.

In 2003/04, hourly earnings in Tyne & Wear rose 6.8% for men and 11.0% for women (Table 9.1). Both men's and women's hourly earnings rose at a slightly higher rate than weekly earnings (which were 5.6% and 10.8% respectively). Men's earnings rose much more quickly in Tyne & Wear than in Great Britain (TW 6.8%, GB 3.4%). Women's hourly earnings also rose much quicker in Tyne & Wear than Great Britain (TW 11.0 %, GB 4.7%).

The same trend is also apparent when the median is used instead of average, although there are some small differences between them; such as a smaller difference between women's earnings in Tyne & Wear compared to Great Britain, but the opposite is true for men's earnings.

Table 9.1: Percentage change in average and median hourly earnings, 2003/2004*

	Men		Women	
	AVERAGE	MEDIAN	AVERAGE	MEDIAN
Tyne & Wear*	6.8	8.4	11.0	7.9
Great Britain	3.4	4.3	4.7	4.6
Difference (T&W minus GB)	3.3	4.1	6.3	3.2

Caution: TW results for 2003 were exceptionally low, thus inflating rates of growth in 2003/04.

* Excluding overtime

Source: Annual Survey of Hours and Earnings 2003 and 2004 (Tables 7.6a) and TWRI calculations.

Caution: Annual change figures are affected by sampling error at both the beginning and end of the period. A better indicator of the trend can be gained over a long period of time.

Since 1998, Tyne & Wear men's earnings have grown at a similar, but slightly slower, rate than in Great Britain (Table 9.2). Women's earnings have followed a similar pattern but have been slightly faster. Women's hourly earnings (up 38.4% since 1998) in Tyne & Wear have risen faster than men's (up 26.3%).

Table 9.2: Percentage change in average and median hourly earnings, 1998-2004*

	Men		Women	
	AVERAGE	MEDIAN	AVERAGE	MEDIAN
Tyne & Wear	26.3	24.9	38.4	32.1
Great Britain	29.1	26.6	33.7	30.8
Difference (T&W minus GB)	-2.8	-1.7	4.8	1.3

* Excluding overtime

Source: Annual Survey of Hours and Earnings 1998 - 2004 (Tables 7.6a) and TWRI calculations.

ASHE and NES COMPARISON

A comparison between the hourly earnings percentage changes between NES and ASHE 1998-2003 (see Table 9.2.1) show only very small differences (0.3 – 1.1 percentage points over 5 years) between the two. The main findings are:

- The largest difference between the two surveys is that *women's hourly earnings* in Tyne & Wear rose 1.1 percentage points slower in ASHE.
- Research from ONS¹⁶ shows weighting does not affect the hours of full-timers as much as *hours of part-timers*, as weighting of the latter widens disparities.

Table 9.2.1: Percentage change in NES and ASHE hourly earnings, 1998-2003*

	Men			Women		
	ASHE	NES	Difference	ASHE	NES	Difference
Tyne & Wear	18.3%	18.6%	-0.3%	24.7%	25.8%	-1.1%
Great Britain	24.8%	25.5%	-0.7%	27.7%	28.5%	-0.8%
Difference (T&W minus GB)	-6.5%	-6.9%	0.4%	-3.0%	-2.7%	-0.3%

*Excluding overtime

Source: Annual Survey of Hours and Earnings 1998-2003, and NES 1998-2003 (Tables 7.6a and Part A Tables A21, A22, and A23, respectively) and TWRI calculations.

9.2 Hours Worked

The EU Working Time Directive was introduced limiting the working week to 48 hours per week from October 1998.

Between 1998 and 2004, hours worked by men fell both in Tyne & Wear and Great Britain (TW -0.8 hours, GB -0.6 hours). The hours worked by women have remained fairly static, but with a slight fall in Tyne & Wear (TW -0.2 hours, GB 0.0 hours).

In 2003/04, for women, the number of hours worked per week were nearly static, up just 0.1 hrs in Tyne & Wear and in Great Britain. Men's hours fell by 0.3 hours in Tyne & Wear and remained static for men in Great Britain (see Table 9.3).

¹⁶ Daffin. C. (2004). An analysis of historical ASHE data 1998-2003, in 'Labour Market Trends' Vol. 112 (12), pp 493-504.

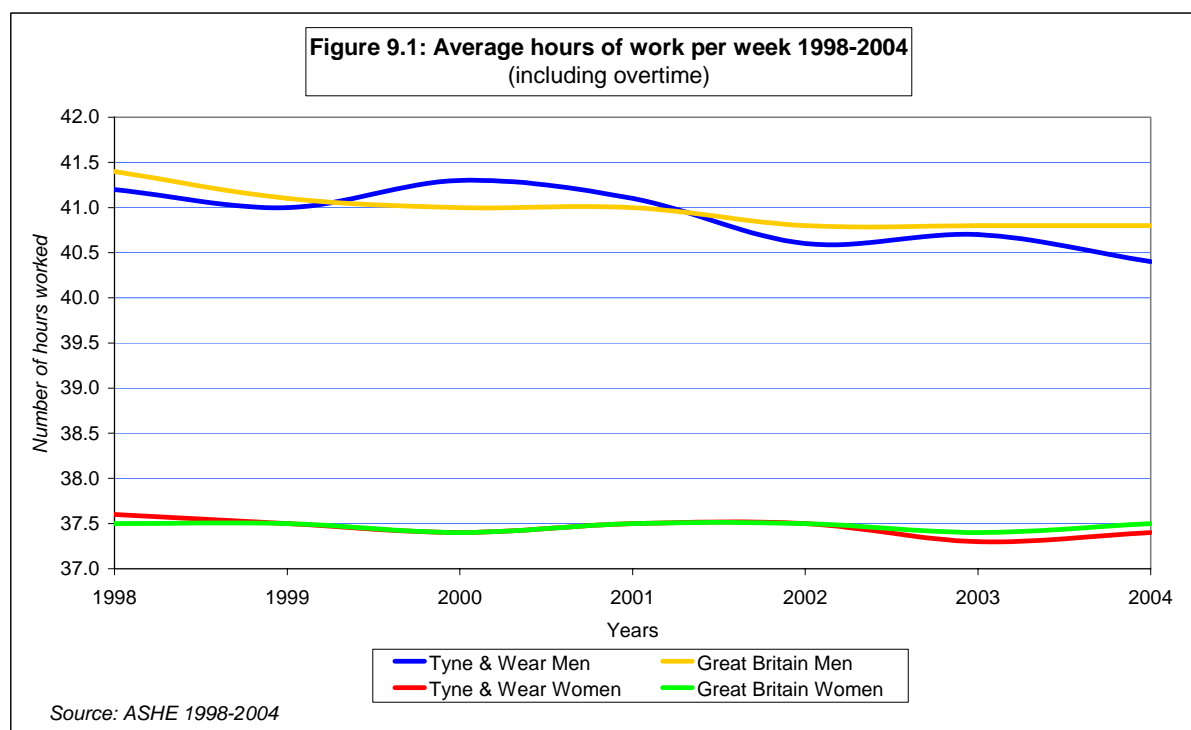
Table 9.3: Average and median hours of work per week, 1998-2004*

	Men				Women			
	Tyne & Wear		Great Britain		Tyne & Wear		Great Britain	
	AVERAGE	MEDIAN	AVERAGE	MEDIAN	AVERAGE	MEDIAN	AVERAGE	MEDIAN
1998	41.2	39	41.4	39	37.6	37	37.5	37.1
1999	41	39	41.1	39	37.5	37	37.5	37
2000	41.3	39	41	39	37.4	37	37.4	37
2001	41.1	39	41	39	37.5	37	37.5	37
2002	40.6	39	40.8	39	37.5	37	37.5	37
2003	40.7	39	40.8	39	37.3	37	37.4	37
2004	40.4	38.8	40.8	39	37.4	37	37.5	37
2003 – 2004	-0.3	-0.2	0	0	0.1	0	0.1	0
1998 – 2004	-0.8	-0.2	-0.6	0	-0.2	0	0	-0.1

*Including overtime

Source: Annual Survey of Hours and Earnings 1998 – 2004 (Tables 7.9a) & TWRI calculations.

Hours of work have generally fallen since 1998 (Figure 9.1).



Overtime hours have fallen for men but risen for women. Over the period 1998-2004 men's overtime is down half an hour or so (TW -0.5 hours, GB -0.6 hours). Conversely, women's overtime hours rose in Tyne & Wear and Great Britain (both by just 0.1 hours) (see Table 9.4 and 9.5). In 2003/04, men's overtime hours remained static for both Tyne & Wear and Great Britain. Overtime hours rose for women in both Tyne & Wear and Great Britain (0.1 and 0.3 hours respectively).

In Tyne & Wear in 2004, women worked on average 3 hours less than men, of which, 1.4 hours could be accounted for by shorter overtime (Table 9.4).

Table 9.4: Average overtime hours per week

	Men		Women	
	Tyne & Wear	Great Britain	Tyne & Wear	Great Britain
	AVERAGE	AVERAGE	AVERAGE	AVERAGE
1998	2.8 ^a	2.7	0.9 ^b	0.8
1999	2.7 ^a	2.6	0.7 ^b	0.8
2000	2.7 ^a	2.6	0.7 ^b	0.8
2001	2.8 ^a	2.4	0.8 ^b	0.8
2002	2.5 ^a	2.2	0.9 ^b	0.7
2003	2.3 ^a	2.2	0.8 ^b	0.7
2004	2.3 ^a	2.1	0.9 ^a	0.8
2003 – 2004	0	-0.1	0.1	0.1
1998 – 2004	-0.5	-0.6	0	0

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Source: Annual Survey of Hours and Earnings 1998 – 2004 (Tables 7.11a) & TWRI calculations

Caution: Median overtime hours are about two or three times as long as average overtime. This is because the median and percentiles have been presented as a distribution of non-zero values only, whereas mean values are an average across all respondents. Thus it is impossible to directly compare average and median values of overtime.

Table 9.5: Median overtime hours per week*

	Men		Women	
	Tyne & Wear	Great Britain	Tyne & Wear	Great Britain
	MEDIAN	MEDIAN	MEDIAN	MEDIAN
1998	6.3 ^a	6.3	3.0 ^b	3.1
1999	6.0 ^a	6	2.3 ^b	3
2000	6.0 ^a	6	2.3 ^b	3
2001	5.1 ^b	6	2.7 ^b	3
2002	5.1 ^a	5.6	3.2 ^b	3
2003	4.5 ^b	5.3	2.5 ^b	2.5
2004	5.0 ^a	5.5	3.1 ^a	2.9
2003 – 2004	0.5	0.2	0.6	0.4
1998 – 2004	-1.3	-0.8	0.1	-0.2

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

* **Warning:** The median overtime hours are only for those who work **some** overtime. This makes them non-comparable with the averages, which are for all employees, including the (large number of) employees who had zero overtime.

Source: Annual Survey of Hours and Earnings 1998 – 2004 (Tables 7.11a) & TWRI calculations

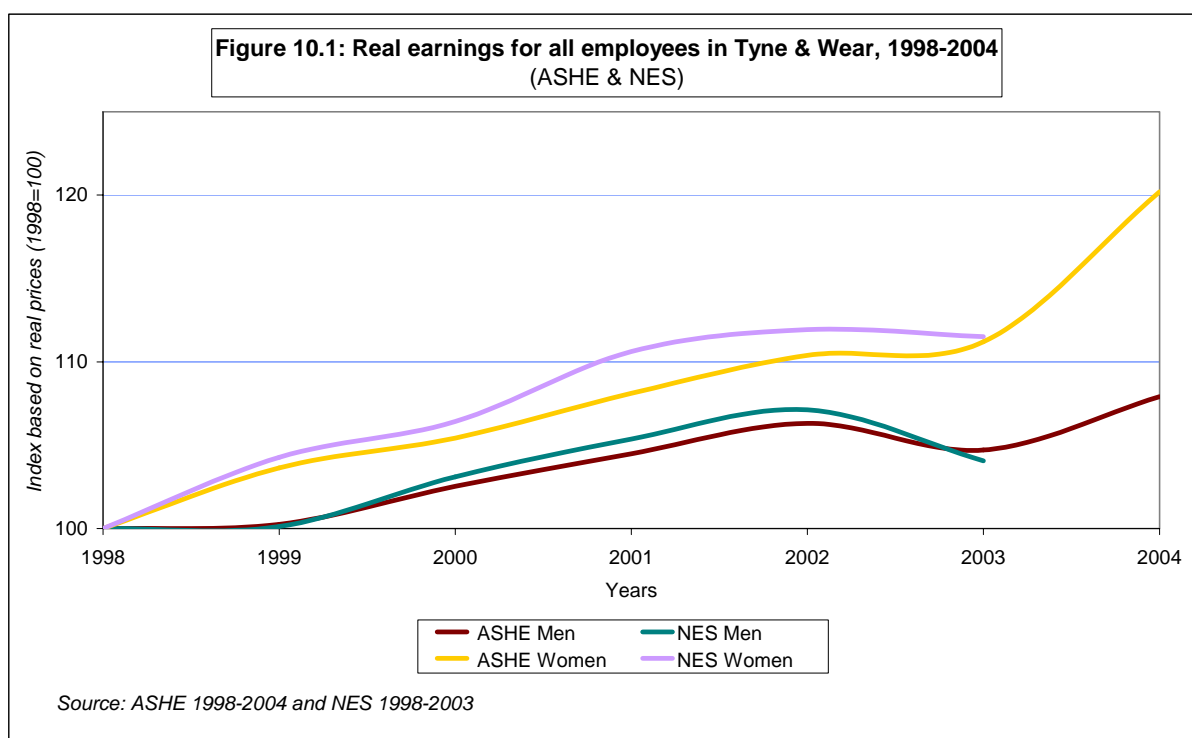
10 EARNINGS IN REAL TERMS, SINCE 1998

This section analyses earnings in real terms, i.e. after adjusting for price inflation, as measured by the Retail Prices Index (RPI). Effectively they estimate the rise in average living standards for the vast majority of the people in work (employees, full-time). The figures still relate to gross earnings. They therefore make no allowance for direct tax changes. For example, notably National Insurance rates rose by 1 percentage point (in 2003).

Caution: Given the size of the sampling errors, the figures for single years, and for comparisons with Great Britain, are more indicative than exact measures.

Between 1998 and 2004, real earnings for both men and women in Tyne & Wear have risen significantly; men's by 7.9% and women's by 20.2% (Figure 10.1). In real terms, the average annual compound rises were 1.1% for men and 2.9% for women [and 1.7% pa overall – Ed].

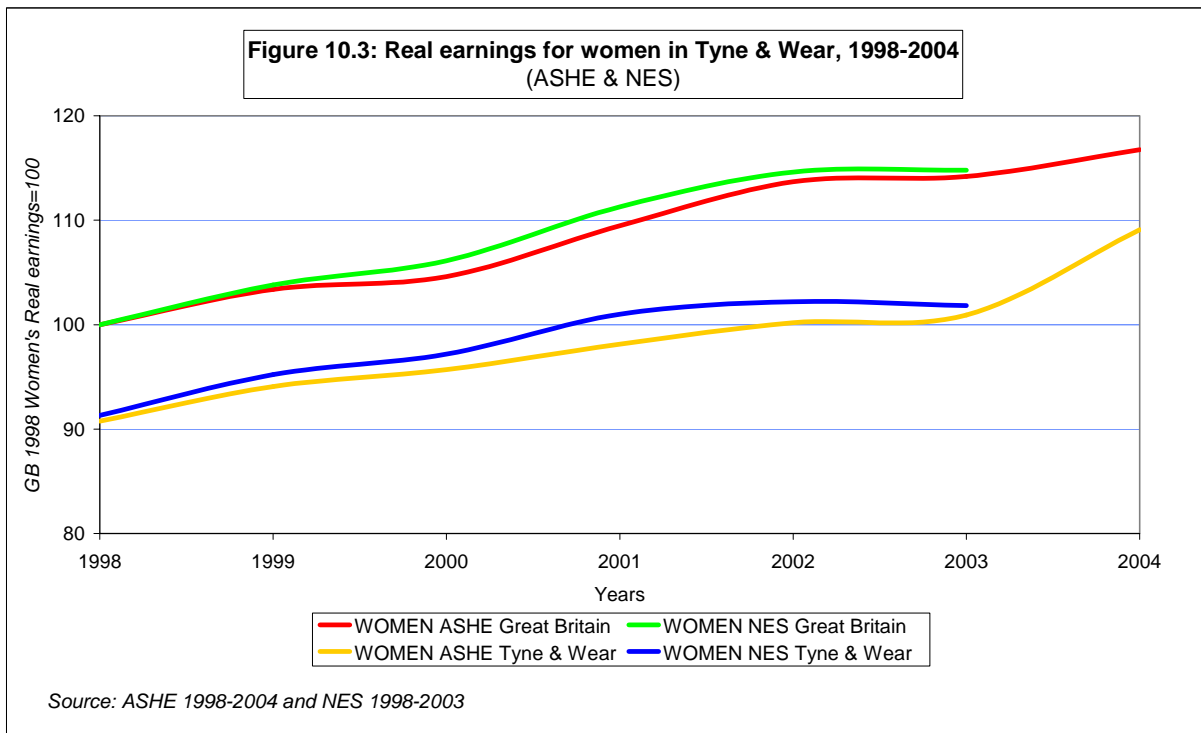
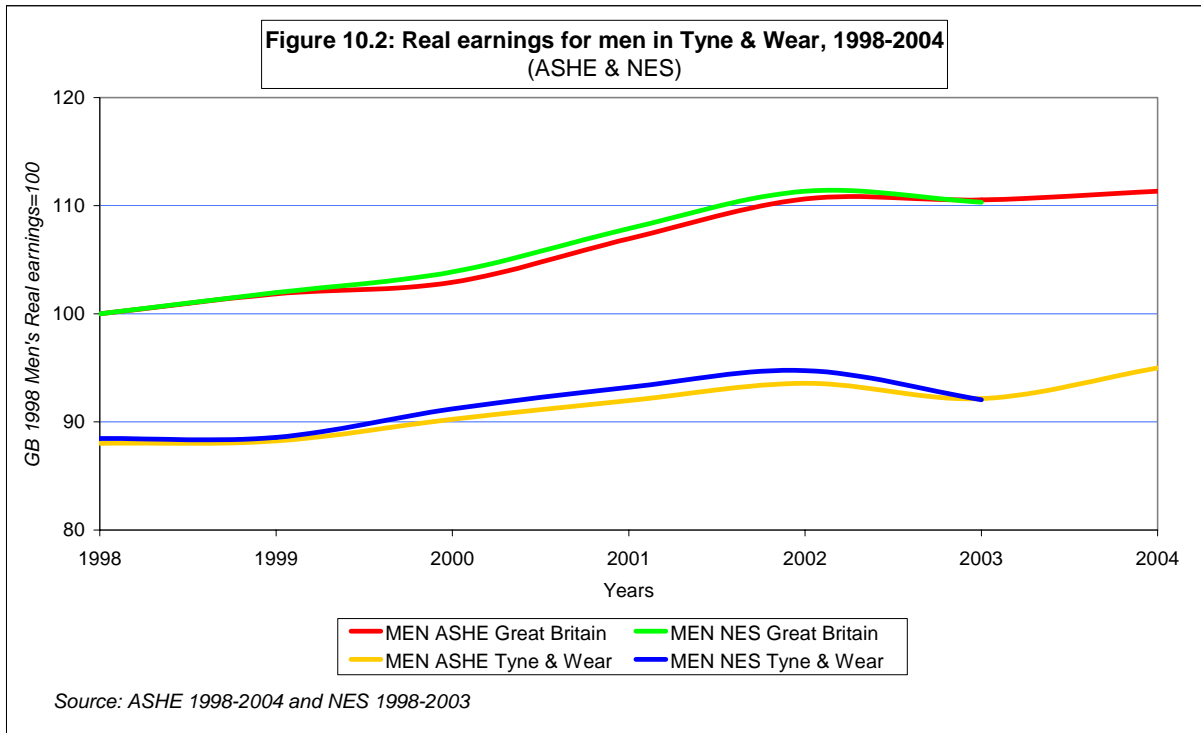
[As 1998-2004 was also a period of overall employment growth, according to ABI and LFS, this implies very significant economic growth – Ed.]



Caution: The Tyne & Wear rises from 2003 (below) are oddly, and incredibly high due to the apparently unrepresentative sample that year.

Between April 2003/04, the RPI rose 2.4%. This implies that in 2003/2004, men's earnings in Tyne & Wear reportedly rose 3.1% in real terms, whereas in Great Britain, real earnings rose by 1.0% (Figure 10). Women's real earnings maintained their strong upward trend in 2003/04, up 8.2% in Tyne & Wear [incredibly high for one year], and in Great Britain up 2.3% (Figure 10.2).

Since 1998, real earnings for men have risen significantly less quickly (by -3.4 percentage points) in Tyne & Wear than in Great Britain, whereas women's earnings have risen slightly more quickly (by 3.5 percentage points) than in Great Britain (Figures 10.2 and 10.3). In 1998-2004, men's real earnings in Tyne & Wear rose by 7.9%, (GB 11.3%). Women's real earnings rose by 20.2% in Tyne & Wear, whilst in Great Britain they rose 16.7%.



Caution: the large 2003/04 rise in Tyne & Wear's women's earnings in relation to Great Britain women's earnings could be due to poor sampling.

11 EARNINGS OF RESIDENTS

This section presents information on average and median weekly earnings in Tyne & Wear *by place of residence* of employees, not by place of work, as is the case in the rest of the report. The analyses cover men, women and all employees, and compare Tyne & Wear to Great Britain and the North East. This is a new section to the report, as this data was not collected by the former NES. However, this does mean that data used can only be investigated for 2004. A comparison through time is impossible as yet. However, findings from just 2004 indicate significantly lower earnings of residents than at workplaces in Tyne & Wear.

11.1 Average & Median Gross Weekly Earnings

In 2004, full-time employees resident in Tyne & Wear earned on average £428.2, which is £15 (-3.4%) less than the workplace-based population (refer to Tables 2.1 and 11.1).

Table 11.1: Residents average and gross weekly full-time earnings

	MEN & WOMEN				MEN				WOMEN			
	Average		Median		Average		Median		Average		Median	
	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)
Tyne & Wear	428.2	1083	368.9	918	452.5	1107	397.2	952	390.3	1044	331.7	860
North East	436.4	1104	371.1	918	472.3	1154	411.1	974	380.2	1020	317.9	838
Great Britain	508.1	1288	422.9	1046	560.5	1382	464.5	1111	422.0	1126	359.0	948
T&W % of GB	84.3%	84.1%	87.2%	87.8%	80.7%	80.1%	85.5%	85.7%	92.5%	92.7%	92.4%	90.7%

Source: Annual Survey of Hours and Earnings 2004 (Tables 8.1a and 8.6a)

Logically, residents' average earnings are lower than for workplaces only where net in-commuters have higher earnings than residents. Tyne & Wear earnings of residents are typically 3-4% (0.9-6.2%) less than for employees at work places in the same area. The difference is very small in the North East (up to 1%), and is marginal in Great Britain (up to 0.2%) [Presumably due to higher earnings abroad of GB residents than the reverse] (Table 11.2).

Table 11.2: Percentage difference between resident and workplace-based weekly earnings

	MEN & WOMEN				MEN				WOMEN			
	Average		Median		Average		Median		Average		Median	
	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)	£'s per week	Pence/hour (excludes overtime)
Tyne & Wear residence earnings % of workplace earnings	-3.4	-4.1	-3.1	-4.3	-5.2	-6.2	-4.7	-5.0	-0.9	-0.8	-0.9	-1.9
North East residence earnings % of workplace earnings	0.0	-0.3	-0.4	-0.6	-0.3	-0.6	-0.2	-1.0	0.2	0.0	-0.1	-0.1
Great Britain residence earnings % of workplace earnings	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.1	0.1

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a, 7.6a, 8.1a and 8.6a) & TWRI calculations

The lower earnings of residents in Tyne & Wear (than of employees at workplaces at Tyne & Wear) MUST be due to higher average earnings of net in-commuters. [See Census SWS Table W107 for employees commuting – Ed.]

11.2 Comparisons with Other Counties

Tyne & Wear resident men earn almost £30 pw less than the next lowest group of metropolitan counties. In metropolitan counties, residence-based earnings are generally lower than workplace-based earnings (Table 11.3) [except South Yorkshire]. These differences are greater in London than in the other metropolitan counties, (men & women's earnings are £42.3-£46.5 less than workplace-based estimates). In Tyne & Wear, resident employees earn less than the workplace-based employees, especially men's. Exceptionally, resident-based employees in South Yorkshire, have higher earnings than the workplace-based employees.

Table 11.3: Weekly earnings of residents and workplace employees in Metropolitan Counties (£)*

	Men & Women					Men					Women			
	Average		Median			Average		Median			Average		Median	
	Resident	Work-place	Resident	Work-place		Resident	Work-place	Resident	Work-place		Resident	Work-place	Resident	Work-place
London	644.4	680.1	513.2	540.8	London	718.9	765.4	554.7	597	London	538.4	548.2	469.7	478.3
G. Manchester	459.3	473.5	388.5	393.5	G. Manchester	506.9	524.2	426.0	436	Merseyside	391.2	390.9	336.0	333.3
S. Yorkshire	448.8	445.8	384.6	395.2	W. Midlands	487.3	516.7	423.1	446.7	Tyne & Wear	390.3	393.7	331.7	334.7
Merseyside	446.6	452.8	384.8	384.7	S. Yorkshire	487.2	482.3	418.0	435.2	G. Manchester	388.4	399.3	334.7	342.5
W. Midlands	445.7	472.5	384.5	404.3	Merseyside	484.1	496.5	429.7	435.5	S. Yorkshire	387.9	386.7	336.0	341.8
W. Yorkshire	442.7	465.2	395.0	391.9	W. Yorkshire	482.0	507.1	434.6	426.1	W. Yorkshire	376.7	398.8	338.0	345.4
Tyne & Wear	428.2	443.2	368.9	380.6	Tyne & Wear	452.5	477.2	397.2	416.6	W. Midlands	374.4	393.7	326.5	337.2

* Ranked on resident's average pay

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a and 8.1a)

In the North East, earnings are higher at workplaces than for residents in Tyne & Wear (by £15 pw), Middlesbrough (by £10.5 pw), and Redcar & Cleveland (by £64 pw). These are therefore all places with net in-commuters who are earning (on average) more than their out-commuters. The reverse is true of the other five areas, which gain higher earnings from net out-commuting; particularly Northumberland (by £43.7 pw) and Darlington (by £32.3 pw) - but also with less difference in pay - in County Durham (by £16.3 pw), Hartlepool (by £ 15.3 pw) and Stockton (by £12.5 pw).

Table 11.4: Weekly earnings of residents and workplace employees in Unitary Authorities (£)*

	Men & Women					Men					Women			
	Average		Median			Average		Median			Average		Median	
	Resident	Work-place	Resident	Work-place		Resident	Work-place	Resident	Work-place		Resident	Work-place	Resident	Work-place
Stockton-on-Tees	475.6	463.1	422.1 ^a	390.6 ^a	Stockton-on-Tees	532.4	519.8 ^a	466.8 ^a	436.7 ^a	Northumberland	398.5	368.1	316.7 ^a	302.9 ^a
Darlington	464.9 ^b	432.6	352.5 ^a	367.8 ^a	Northumberland	499.3	447.1	461.8 ^a	398.5 ^a	Tyne & Wear	390.3	393.7	331.7	334.7
Northumberland	454.5	410.8	380.5 ^a	350.5 ^a	Hartlepool	481.8 ^a	472.5 ^a	425.9 ^a	372.7 ^b	Durham	373.3	374.5	314.9	306.6 ^a
Redcar & Cleveland	432.2	496.2 ^a	384 ^a	472.3 ^a	Redcar & Cleveland	478.3	537.3 ^a	439.9 ^a	514.8 ^a	Darlington	367 ^a	339.1	320.7 ^a	321.5 ^a
Hartlepool	430.9 ^a	415.6 ^a	360.7 ^a	340.4 ^b	Durham	469.3	442.6	394.8	382.7	Stockton-on-Tees	364.9	341.2 ^a	317.4 ^a	283.9 ^a
Durham	430.4	414.1	363.9	355.8	Tyne & Wear	452.5	477.2	397.2	416.6	Redcar & Cleveland	352.1 ^a	397.9 ^b	289.6 ^b	297.5 ^b
Tyne & Wear	428.2	443.2	368.9	380.6	Middlesbrough	445.6 ^a	474.2 ^a	384.4 ^a	392.8 ^a	Middlesbrough	329.7 ^a	372.9 ^a	301.5 ^a	319.4 ^b
Middlesbrough	408.1 ^a	418.6 ^a	350.8 ^a	357.0 ^a	Darlington	...	459.8 ^a	377 ^b	413.6 ^a	Hartlepool	322.4 ^a	286.9 ^a	265.8 ^a	250.2 ^a

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

* Ranked on resident's average pay

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a and 8.1a)

11.3 Women's Earnings Compared to Men's

Using ASHE 2004, it is now possible to monitor the differences between men's and women's earnings of residents as well as for the usual work-places. In Tyne & Wear, women's average hourly earnings are 3-5% higher (relative to men) for residents than for workplaces (94.3% for a TW resident, 89.2% for a TW work-based employee) (Table 11.5). This is also the case, although weakly, for the North East (NE resident 88.4%, NE workplace 87.9%). For Great Britain, there is negligible (0.1 percentage point) difference between the two indicators for earnings differences between men and women.

Table 11.5: Women's hourly earnings compared to men's, by workplace and by residence

	Tyne & Wear		North East		Great Britain	
	Average	Median	Average	Median	Average	Median
By Residence						
% of men's earnings	94.3	90.3	88.4	86.0	81.5	85.3
By Workplace						
% of men's earnings	89.2	87.5	87.9	85.3	81.4	85.4

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.6a and 8.6a)

11.4 Hourly Earnings & Hours of Work

In Tyne & Wear, men's hours per week worked (and overtime) are higher for residents than for workplace employees (TW Resident 40.7hrs, TW Work 40.4hrs) (Table 11.6). In terms of average hours and overtime worked, there are no other differences in hours.

Caution: when considering overtime, due to the smaller samples, the error associated with these findings is likely to be relatively large, and thus the results are likely to be difficult to compare fairly.

Table 11.6: Hours worked per week and overtime, by workplace and by residence*

	Tyne & Wear				Great Britain			
	Average		Median		Average		Median	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
By Residence								
Hours per week	40.7	37.4	39.0	37.0	40.8	37.5	39.0	37.0
Overtime	2.5 ^a	0.9 ^b	5.4 ^b	3.2 ^b	2.1	0.8	5.5	2.9
By Workplace								
Hours per week	40.4	37.4	38.8	37.0	40.8	37.5	39.0	37.0
Overtime	2.3 ^a	0.9 ^a	5.0 ^a	3.1 ^a	2.1	0.8	5.5	2.9

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

* **Warning**: The median overtime hours are only for those who work **some** overtime. This makes them non-comparable with the averages, which are for all employees, including the (large number of) employees who had zero overtime.

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.9a, 8.9a, 7.11a and 8.11a)

APPENDIX 1 (Other) Sources of Earnings Data

Earnings data from Labour Force Survey (LFS):

Estimates of weekly gross earnings for full-time employees are also published from the Labour Force Survey. They are quarterly and cover all full-time employees including those below the income tax threshold.

Average earnings are lower in the LFS than in the ASHE (Annual Survey of Hours and Earnings) by about 10% in the North East and 13% in Great Britain (Table A1.1). The LFS may under-record earnings because it is based on responses by households. They may confuse gross earnings with net earnings. In addition many responses are on behalf of other household members.

The Annual Survey of Hours and Earnings (ASHE) and the Labour Force Survey (LFS) are the best sources to use when measuring the levels of average earnings for full-time and part-time employees respectively¹⁷.

Table A1.1: Weekly full-time earnings from Labour Force Survey and ASHE, 2004

	LFS £	ASHE £	% difference
Great Britain			
Men & Women	450	507	-12.7
Men	499	559.4	-12.1
Women	370	421.3	-13.9
North East			
Men & Women	396	436.2	-10.2
Men	428	473.7	-10.7
Women	345	379.6	-10.0

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a) and Labour Force Survey (Table 42 and TWRI calculations).

Average Earnings Index (AEI)

ONS's preferred measure of earnings growth in the whole economy is the Average Earnings Index (AEI) headline rate. The AEI is a monthly index of earnings growth in Great Britain based on the Monthly Wages & Salaries Survey (MWSS). Average earnings are obtained by dividing the total number of employees by the total pay. Monthly chain-linking ensures that the vast majority of firms sampled are the same from one month to the next. The index may be used to estimate earnings between each ASHE.

Latest data on earnings

Projections are normally published in ONS' Labour Market Trends each quarter using the AEI.

¹⁷ Please refer to: Daffin, C. 2004. 'An analysis of historical ASHE data 1998-2003', in Labour Market Trends, Vol. 112 (12), pp493-504.

Total remuneration of all employees in the UK (by employers) can be best determined using the National Accounts wages and salaries component. Wages and salaries estimates also include non-cash earnings, for example wages in kind.

Summary table of methodology changes between NES and ASHE

Summary of Methodology Changes between the NES and the ASHE	
ASHE 1998 to 2003	NES
<p>Missing item response for basic pay and hours, overtime pay and hours and annual pay imputed using donor imputation.</p> <p>Estimates are weighted by calibration to estimates of jobs taken from the LFS.</p> <p>Age calculated as age at the survey reference period.</p>	<p>No imputation for item non-response.</p> <p>Estimates are unweighted.</p> <p>Age calculated as age on the first January of the survey year.</p>
ASHE 2004 onwards (in addition to the above)	NES
<p>Extended coverage to include VAT only businesses.</p> <p>Update of the sample to cover people entering the job market between the sample selection date and the survey reference period.</p> <p>Follow-up of people changing jobs between the sample selection date and the survey reference period.</p>	<p>Coverage limited to Inland Revenue PAYE list.</p> <p>No sample update.</p> <p>No follow-up.</p>

Source: ONS 2004, 'Methodology for the 2004 Annual Survey of Hours and earnings.'

APPENDIX 2 Earnings by Occupation

Under-lined NE values are higher than in Tyne & Wear.

Caution: Tyne & Wear and the North East's earnings by occupational group include estimates which have larger boundaries of errors than others. All estimates shown are, however, within ONS' range of acceptability (a CV of no more than 20%).

Table A2.1: Gross weekly average earnings by Occupational Group (£)

SOC 2000	Tyne & Wear		North East		Great Britain	
	Men	Women	Men	Women	Men	Women
Managers and senior officials	683.6 ^a	553.4 ^a	683.4	527.6 ^a	828.3	596.4
Professional Occupations	713.8	606.5	688.4	587.2	716.9	604.9
Associate Professional & Technical	511.4	462.1	495.9	441.5	584.7	474.2
Administrative & Secretarial Occupations	337.3	316.2	<u>351.2</u>	308.3	388.2	334.9
Skilled Trades Occupations	423.9	255.5 ^b	422.1	<u>271.5^a</u>	435.0	308.0
Personal Service Occupations	307.1 ^a	289.7	290.1	269.6	324.3	279.2
Sales & Customer Service Occupations	301.0 ^a	270.5	<u>310.4^a</u>	267.9	324.5	269.2
Process, Plant & Machinery Occupations	376.5	284.7 ^a	<u>384.1</u>	268.6 ^a	397.4	286.6
Elementary Occupation	306.0	241.5 ^a	<u>310.1</u>	238.3	327.9	250.8
All Occupations	477.2	393.7	473.7	379.6	559.4	421.3

Source: Annual Survey of Hours and Earnings 2004 (Table 3.1a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Table A2.2: Gross annual average earnings by Occupational Group (£)

SOC 2000	Tyne & Wear		North East		Great Britain	
	Men	Women	Men	Women	Men	Women
Managers and senior officials	35,986 ^a	28,919 ^a	35,715	26,446 ^a	47,698	32,131
Professional Occupations	35,834 ^a	30,407	35,526	29,527	37,530	30,699
Associate Professional & Technical	26,449	24,125	25,825	23,203	31,119	24,686
Administrative & Secretarial Occupations	18,002 ^a	16,190	<u>18,543</u>	15,806	20,405	17,243
Skilled Trades Occupations	21,524	11,413 ^b	21,452	<u>12,765^b</u>	22,248	15,258
Personal Service Occupations	15,932 ^a	14,682	15,401	13,432	17,024	13,800
Sales & Customer Service Occupations	15,324 ^a	12,379 ^a	15,283	12,312	16,968	13,412
Process, Plant & Machinery Occupations	19,681 ^a	15,030 ^a	<u>20,028</u>	13,815 ^a	20,368	14,166
Elementary Occupation	15,354	12,528 ^a	<u>15,568</u>	12,070	16,958	12,533
All Occupations	24,603	19,887	24,566	19,058	30,268	21,785

Source: Annual Survey of Hours and Earnings 2004 (Table 3.1a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

APPENDIX 3 Earnings by Industry

Under-lined NE values are higher than in Tyne & Wear.

Table A3.1: Gross weekly average earnings by Industry (£)

SIC 1992	Tyne & Wear		North East		Great Britain	
	Men	Women	Men	Women	Men	Women
A Agriculture, hunting & forestry	...	...	...	...	364.7	304.2
B Fishing	...	...	...	...	424.5 ^b	...
C Mining & Quarrying	...	...	...	...	655.7 ^a	513.1 ^b
D Manufacturing	459.1	350.8 ^a	<u>472.3</u>	<u>362.1^a</u>	522.8	392.9
E Electricity, gas & water supply	516.7 ^a	384.0 ^a	<u>611.0^b</u>	<u>391.9^a</u>	629.4	472.2 ^a
F Construction	497.2 ^a	302.0 ^b	483.3	<u>302.6^a</u>	523.4	400.7
G Wholesale & Retail trade	356.7	260.9	<u>390.5</u>	<u>280.8</u>	487.5	342.5
H Hotels & Restaurants	283.5 ^b	262.0 ^b	<u>289.0^a</u>	251.3 ^a	344.3	285.7
I Transport, storage & communication	458.7	473.1 ^b	458.4 ^a	424.3 ^a	522.3	438.8
J Financial intermediation	572.6 ^b	438.1 ^b	<u>633.2^b</u>	428.6 ^a	879.8	493.7
K Real estate, renting & business activities	507.2 ^a	391.3 ^a	479.8	367.1 ^a	640.7	457.4
L Public Admin. & Defence	444.1	393.2	<u>445.5</u>	383.4	544.7	420.1
M Education	505.6	462.8	495.3	442.8	544.7	461.6
N Health & Social work	653.1 ^b	415.7	615.0 ^a	393.9	614.8	416.4
O Other community, social & personal services	512.8 ^b	293.2 ^b	474.9 ^b	272.5 ^a	589.9	403.9
C-E All production	460.8	355.3 ^a	<u>480.2</u>	<u>363.7^a</u>	527.9	396.3
G-Q All services	481.5	397.2	471.0	382.3	575.8	424.8

Source: Annual Survey of Hours and Earnings 2004 (Specially Requested from ONS).

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

Table A3.2: Gross annual average earnings by Industry (£)

SIC 1992	Tyne & Wear		North East		Great Britain	
	Men	Women	Men	Women	Men	Women
A Agriculture, hunting & forestry	...	...	...	...	19,236	15,287 ^a
B Fishing	...	...	...	...	22,215 ^b	...
C Mining & Quarrying	...	...	...	...	34,586 ^a	26,761 ^b
D Manufacturing	23,983 ^a	18,666 ^a	<u>24,476</u>	18,311 ^a	27,423	20,051
E Electricity, gas & water supply	27,105 ^a	23,001 ^b	<u>32,621^b</u>	21,553 ^b	33,276	25,764 ^a
F Construction	26,017 ^a	...	25,173 ^a	16,545 ^b	27,739	21,583
G Wholesale & Retail trade	18,041 ^a	12,853 ^a	<u>20,049</u>	<u>13,523</u>	26,327	17,511
H Hotels & Restaurants	15,628 ^b	...	<u>16,254^b</u>	12,768 ^b	19,200	14,885
I Transport, storage & communication	22,686 ^a	22,622 ^b	<u>23,068^a</u>	20,470 ^b	27,289	22,510
J Financial intermediation	...	23,852 ^b	...	23,289 ^b	59,168	28,196
K Real estate, renting & business activities	25,291 ^a	19,638 ^b	24,047 ^a	17,491 ^a	35,557	24,249
L Public Admin. & Defence	23,386 ^a	19,456	<u>23,850</u>	19,196	28,247	21,465
M Education	26,607	23,501 ^a	26,295	<u>22,610</u>	28,218	23,351
N Health & Social work	32,518 ^a	20,288	31,131 ^a	19,366	31,664	20,797
O Other community, social & personal services	...	14,933 ^b	25,461 ^b	13,735 ^a	31,084 ^a	21,193
C-E All production	24,088 ^a	19,316 ^a	<u>24,923</u>	18,538 ^a	27,707	20,270
G-Q All services	24,695	19,956	24,353	19,157	31,609	21,987

Source: Annual Survey of Hours and Earnings 2004 (Specially Requested from ONS).

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

APPENDIX 4: Earnings for Small Areas

These data series are subject to much bigger margins of error than for Tyne & Wear. Those estimates labelled with no data (...) have errors too large to be statistically sound. The ONS published 2004 estimates of earnings for areas smaller than counties; Local Authority Districts; Travel-to Work Areas; and Parliamentary Constituencies.

Underlined values show the area with highest earnings.

‘Standard errors’¹⁸ (which measure accuracy) are now published for every estimate in the ASHE, thus all results can be viewed with a known degree of ‘error’ (inaccuracy) specified. Thus it is now possible for ONS to estimate, with stated levels of (in)accuracy, in smaller geographical units such as districts, which was not possible with the previous survey (NES).

Table A4.1: Average earnings by District (All employees)

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Gross weekly earnings (£)	443.2	433.3	<u>460.9</u>	455.9	412.5	427.6
10% earned under (£)	216.7	205.9	223.2	218	204.6	222
10% earned over (£)	712.7 ^a	684.3	740.1 ^b	748.1	680.1	...
Average hourly earnings (p) excludes overtime	1129	1102	<u>1190</u>	1150	1038	1078
Average weekly hours (including overtime)	39.2	39.3	38.6	39.7	39.5	39.5
Overtime (hr)	1.7 ^a	1.9 ^b	1.3 ^b	2.3 ^b	2.1 ^b	1.7 ^b

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

Table A4.2: Average earnings by District (Men)

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Gross weekly earnings (£)	477.2	486.1	<u>505.7</u>	473.8 ^a	425.2	449.8
10% earned under (£)	230.2	226.3	232.2	224.7	218.2 ^a	228.4
10% earned over (£)	753.4 ^b	772.1	804.3	767.4	647.3	679.9
Average hourly earnings (p) excludes overtime	1180	1202	<u>1274</u>	1151 ^a	1018 ^a	1105
Average weekly hours (including overtime)	40.4	40.6	39.6	41.2	41.4	40.5
Overtime (hr)	2.3 ^a	2.7 ^b	1.9 ^b	2.9 ^b	2.9 ^b	2.0 ^b

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

Table A4.3: Average earnings by District (Women)

	Tyne & Wear	Gateshead	Newcastle	North Tyneside	South Tyneside	Sunderland
Gross weekly earnings (£)	393.7	349.5	410	<u>424.0^a</u>	394.3 ^a	387
10% earned under (£)	204.8	189.9	214.4	200.1 ^a	185.8 ^b	209.3 ^a
10% earned over (£)	646.4 ^b	542.5	657.4	703.4	695.5	624
Average hourly earnings (p) excludes overtime	1052	937	1092	<u>1150^a</u>	1069 ^a	1026
Average weekly hours (including overtime)	37.4	37.2	37.5	37.1	36.8	37.7
Overtime (hr)	0.9 ^b	...	...	...	...	1.2 ^b

Source: Annual Survey of Hours and Earnings 2004 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and <=10%

^b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

¹⁸ ‘Standard error’ of the mean is the standard deviation of the sample distribution.

Table A4.4: Average earnings by Travel-to-Work Area

	Tyneside			Sunderland & Durham		
	All	Men	Women	All	Men	Women
Gross weekly earnings (£)	442	479.4	391	420.4	448.7	375.7
% earning under £250	37.7	22.2 ^a	51.6	36.6	21.2 ^a	51.8
10% earned under (£)	215.7	226.8	203.3	221.9	228	212.6
10% earned over (£)	718.6 ^a	761.8 ^b	639.4 ^b	659.6 ^b	...	613.1
Average hourly earnings (p) excludes overtime	11.3	11.85	10.51	10.74	11.07	10.17
Average weekly hours (including overtime)	na	na	na	na	na	na
Overtime (hr)	1.7 ^a	2.3 ^a	0.9 ^b	1.5 ^a	1.9 ^a	0.9 ^b

Source: Annual Survey of Hours and Earnings 2004 (Specially Requested from ONS).

a Reasonably precise, CV >5% and <=10%

b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

With ASHE, estimates for the full set of Parliamentary Constituencies are now available.

Table A4.5: Average earnings by Tyne & Wear Parliamentary Constituency (All employees)

	Blaydon	Gates. East/Wash. West	Hought & Wash. East	Jarrow	Newc. Cent.	Newc. North	Newc. E/Walls.	North Tyne	S. Shields	Sund. North	Sund. South	Tyne Bridge	Tyne mouth
Gross weekly earnings (£)	388.7 ^a	482.6 ^a	456.1	406.5 ^a	501.1 ^a	434.7 ^a	427.7 ^a	447.3 ^a	417.4 ^a	431.3 ^a	399.4 ^a	444.5	466.8 ^a
% earning under £250	44.1 ^b	41.0 ^b	31.1 ^b	38.5 ^b	34.9 ^b	30.7 ^b	33.5 ^b	45.5 ^a	45.7 ^b	35.5 ^a	37.6 ^b	32.8 ^a	44.9 ^b
10% earned under (£)	202.5	218.1	230.2 ^a	200.8 ^a	232.7 ^a	209.4 ^a	211.8	218.1 ^a	202.7 ^a	223.0 ^a	218.3 ^a	219.5	211.9 ^a
10% earned over (£)	597.1	771.9	700.7	647.4	783.2	685.4	711.5	737.2	695.7	653.4	583.3	714.0 ^b	775.8
Average hourly earnings (pence) excludes overtime	964 ^a	1255 ^a	1118	995 ^a	1303 ^a	1095 ^a	1038 ^a	1146 ^a	1080 ^a	1087 ^a	1044 ^a	1150	1180 ^a
Average weekly hours (including overtime)	40.1	38.9	40.3	40.3	38.6	39.4	40.6	39.3	38.7	39.6	38.3	38.5	39.8
Overtime (hr)	...	...	2.4 ^b	...	...	...	...	...	...	1.5 ^b	...	1.6 ^b	...

Source: Annual Survey of Hours and Earnings 2004 (Tables 11.1a, 11.6a, 11.9a, and 11.11a) and Specially Requested from ONS.

a Reasonably precise, CV >5% and <=10%

b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

Table A4.6: Average earnings by Tyne & Wear Parliamentary Constituency (Men)

	Blaydon	Gates. East/Wash. West	Hought & Wash. East	Jarrow	Newc. Central	Newc. North	Newc. E/Walls.	North Tyne	S. Shields	Sund. North	Sund. South	Tyne Bridge	Tyne mouth
Gross weekly earnings (£)	443.5 ^a	536.4 ^b	475.3	406.2 ^a	578.7 ^a	465.5 ^a	478.3 ^a	473.0 ^a	444.8 ^a	453.8 ^a	420.0 ^b	481.1	471.2 ^a
% earning under £250	...	...	...	...	25.5 ^b	...	...	...	...	23.4 ^b	...	20.0 ^b	...
10% earned under (£)	221.0 ^b	229.6 ^b	247.8 ^a	223.1 ^b	262.3 ^b	235.2 ^b	220.1	222.5 ^a	205.5 ^b	221.5 ^a	226.5 ^a	231.1	222.1 ^a
10% earned over (£)	611.6	869.7	696.1	589.8	946.0	695.5	791.6	747.9	696.2	696.5	561.8	791.4	766.5
Average hourly earnings (pence) excludes overtime	1067 ^a	1355 ^b	1136	944 ^a	1477 ^a	1149 ^a	1114 ^a	1175 ^a	1095 ^a	1112 ^a	1083 ^b	1215	1141 ^b
Average weekly hours (including overtime)	41.3	40.1	41.3	42.2	39.4	40	42.3	40.5	40.7	40.7	38.9	39.4	41.6
Overtime (hr)	...	...	2.8 ^b	...	...	...	...	...	...	...	...	2.1 ^b	...

Source: Annual Survey of Hours and Earnings 2004 (Tables 11.1a, 11.6a, 11.9a, and 11.11a) and Specially Requested from ONS.

a Reasonably precise, CV >5% and <=10%

b Acceptable, CV >10% and <=20%

... sample size too small for reliable estimate

Table A4.7: Average earnings by Tyne & Wear Parliamentary Constituency (Women)

	Blaydon	Gates. East/Wash. West	Hought & Wash. East	Jarrow	Newc. Cent.	Newc. North	Newc. E/Walls.	North Tyne	S. Shields	Sund. North	Sund. South	Tyne Bridge	Tyne mouth
Gross weekly earnings (£)	312.1 ^a	392.8 ^a	391.0 ^a	407.0 ^b	437.5 ^a	390.3 ^a	344.4 ^a	411.4 ^a	383.7 ^a	400.5 ^a	369.7 ^a	392.4	458.0 ^b
% earning under £250	62.6 ^b	56.2 ^b	62.1 ^b	56.0 ^b	40.8 ^a	...	48.5 ^b	64.0 ^a	62.1 ^b	46.4 ^b	53.2 ^b	45.5 ^a	65.9 ^a
10% earned under (£)	194.6 ^b	194.9 ^a	169.8 ^b	178.8 ^b	215.7 ^a	204.8 ^b	203.7 ^a	188.6 ^b	188.7 ^b	223.4 ^b	193.5 ^b	212.7 ^a	197.2 ^b
10% earned over (£)	465.8 ^a	562.5	699.5	699.8	695.2	580.4	518.0 ^a	585.3	654.0	580.2 ^a	591.4 ^a	625.7	829.7*
Average hourly earnings (pence) excludes overtime	812 ^a	1080 ^a	1054 ^a	1084 ^b	1155 ^a	1015 ^a	910 ^a	1103 ^a	1060 ^a	1052 ^a	985 ^a	1056 ^a	1263 ^b
Average weekly hours (including overtime)	38.5	36.8	36.8	37.3	37.8	38.6	37.7	37.5	36.3	38	37.5	37.1	36.3
Overtime (hr)	...	...	...	...	...	...	...	...	...	...	...	...	...

Source: Annual Survey of Hours and Earnings 2004 (Tables 11.1a, 11.6a, 11.9a, and 11.11a) and Specially Requested from ONS.

^a Reasonably precise, CV >5% and ≤10%

^b Acceptable, CV >10% and ≤20%

*This sample appears to be too high, and is not in line with previous findings. This could be due to sampling error.

... sample size too small for reliable estimate