

EARNINGS IN TYNE & WEAR AND THE CITY REGION

2007

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KEY MESSAGES

Extraordinary Weakness in 2007:

In 2007, men's earnings in Tyne & Wear and the City Region were unbelievably weak, falling by -1.8% and -1.2% respectively, compared to 2.8% growth in the UK. [TWRI suspects, unfortunately, these reported falls are unlikely to be genuine.] §5.1

Substantial Pay Gap with West Yorkshire:

Overall earnings in Tyne & Wear and the City Region were low relative to West Yorkshire and its City Region. Tyne & Wear workers earn **around £1,300pa less than workers in West Yorkshire.** For Tyne & Wear residents, earnings are **£2,300pa less than for West Yorkshire residents.** §6 & §11

Growth Rate of Living Standards halved from 1980s:

Real earnings growth has been weak over the 9-year period, at around 8% in Tyne & Wear and 11% in West Yorkshire compared to about 30% real growth of the UK economy in the same period (§10). The **growth rate of real earnings (the rise in living standards) has halved from around 2%pa in 1980-95 in T&W to under 1%pa from 1998-2007.**

[Note: Between 1980 and 1989, in Tyne & Wear men's real earnings rose about 18% and women's about 22%.]

Zero Growth of Living Standards for Median Men:

Top earnings increased more rapidly than median earnings, which renders the averages somewhat misleading. In particular, **in Tyne & Wear over the 9-year period from 1998, average men's real earnings rose just 4.3% (§10) but median men's real earnings actually fell by an estimated -1.1%** (based on §5.2). As a 'rule of thumb', earnings growth for the median earner has been about 4 percentage points slower than for the mean over this period.

Public Sector jobs less well paid than in West Yorkshire:

Public sector workers in West Yorkshire are more highly paid than public sector workers in Tyne & Wear (§8). This may reflect differences in the nature of public sector work between the two areas, such as at the large DWP complex at Longbenton in Tyne & Wear, in contrast to the NHS Executive in Leeds.

Earnings patterns in the United States – also very slow growth of median earnings

The recent pattern in the UK and Tyne & Wear can be seen in the **context of the United States** where **real median household income has fallen since 1999.** Furthermore, the earnings gap between high- and low-earners in the US has become **more polarised:**

In the **1990s**, incomes of the **richest 1%** of taxpayers **rose by 10%pa in real terms** while those of the **other 99%** grew at an average annual rate of **2.4%.**

Between 2002 and 2006, the richest 1% saw 11% annual real income growth, while the rest saw less than 1% growth (E. Saez – economist at Berkeley)¹.

¹ Quoted in *The Economist* July 26th, 2008.

KEY POINTS

Average earnings² (£2):

In Tyne & Wear City Region (TWCR):

- On average, men & women earn £472.60 per week (£24,575pa), 86.0% of UK earnings;
- Men earn £509.80 per week (£26,510pa), 84.1% of UK earnings;
- Women earn £417.30 per week (£21,700pa), 90.2% of UK earnings.

In Tyne & Wear average earnings are slightly higher than in TWCR:

- On average, men & women earn £475.30 per week (£24,716pa), 86.4% of UK earnings;
- Men earn £510.30 per week (£26,536pa), 84.2% of UK earnings;
- Women earn £424.60 per week (£22,079pa), 91.7% of UK earnings;

Median Earnings³ (£2):

In Tyne & Wear City Region:

- Median earnings are about £3,960pa lower than average earnings.
- Median men & women earn £396.40 per week (£20,613pa), 86.8% of UK earnings;
- Men earn £432.60 per week (£22,495pa), 86.8% of UK earnings;
- Women earn £350.80 per week (£18,242pa), 89.0% of UK earnings.
- Higher earners rose about seven percentage points more quickly (+39% 1998-2007 for men & women) than earnings generally (median rose +32%). This explains why average earnings rose more quickly than the median. Median earnings have risen about 5.5 percentage points less quickly than the mean.

In Tyne & Wear median earnings are slightly higher than in TWCR (exc. for men):

- Median earnings are about £3,950pa lower than average earnings.
- Median men & women earn £399.40 per week (£20,769pa), 87.5% of UK earnings;
- Men earn £432.00 per week (£22,464pa), 86.7% of UK earnings;
- Women earn £355.50 per week (£18,486pa), 90.2% of UK earnings.
- Higher earners rose about six percentage points more quickly (+37% 1998-2006 for men & women) than earnings generally (median rose +31%). Median earnings have risen about 4.8 percentage points less quickly than the mean.

Part-time employees (£3):

- Hourly earnings for all part-time employees in all areas were less than their full-time counterparts (TWCR part-time employees earn *hourly* 78% of TWCR full-time employees; TW, 72%).
- Overall, part-time employees in TWCR received 5.7% per hour less than those in the UK (TW, 12.4%).

² These are full-time only.

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

Low Pay (§4):

- In TWCR, the proportion earning under £250 pw is 8.0% of full-time men (TW 7.4%; UK 6.4%) and 14.7% of full-time women (TW 15.1%; UK 14.3%).
- In the North East, 1.5% of employees earned less than the National Minimum Wage (NMW), higher than in the UK (1.2%). Employees aged under 18 are not covered by NMW.

Increases in Earnings (§5):

- Tyne & Wear's reported earnings growth for all employees for the nine years 1998–2007 (36.2%) was similar to the UK (36.3%). However, it was the slowest of all the metropolitan counties. In West Yorkshire earnings grew by 4pp more (40.3%).
- Men's growth in earnings in Tyne & Wear was over 7½ pp slower than in West Yorkshire (31.8%; UK 34.6%; WY 39.5%).
- Women's earnings rose about 2pp *faster* than West Yorkshire; rising 48.0% between 1998–2007, *above* both the UK (42.9%) and West Yorkshire (45.9%).
- Between 2006–2007, all employees' reported earnings (*excluding overtime* – see Table 5.1) *fell*⁴ in Tyne & Wear by -0.6% (TWCR -0.2%). In the UK earnings rose 2.8% (WY 2.0%). Men's earnings fell -1.8% (TWCR -1.2%), while in the UK men's earnings grew 2.8% (WY 2.6%); women's earnings growth in Tyne & Wear was 1.0% (TWCR 1.2%; UK 2.9%; WY 1.4%).
- In Tyne & Wear, high earners' pay has been rising more quickly than the median; by around 6pp since 1998. Also, median earnings have risen about 5pp less quickly than the mean. This increased inequality (at the top end) implies that growth of overall median earnings in real terms has been around 4% since 1998, whereas growth of the mean is around 8%. For men on median earnings, real pay growth has been down -1% (whereas men's *mean* earnings, in real terms, have grown about 4%).
- In 2007, top decile men's earnings rose 3.0% in the UK, against a fall of -1.5% in Tyne & Wear.

Other Metropolitan Counties and Unitary Authorities (§6):

Overall, Tyne & Wear's 2007 average earnings rank 68th among the (87) English counties, metropolitan counties and Unitary Authorities.

- For men, Tyne & Wear's average earnings are 73rd
- Women's average earnings in Tyne & Wear rank 45th
- Women's earnings are highest of the NE's counties and unitary authorities

Men & Women's earnings compared (§7):

The gap between men's and women's earnings in Tyne & Wear remains much narrower than in the UK.

- In 2007, women's *hourly* pay was 91% of men's, compared to 83% for the UK (TWCR 89%; LCR 86%).
- Women's *weekly* earnings were also closer to men's earnings in Tyne & Wear (83%) than in the UK (76%) (TWCR 82%; LCR 78%).

Public and Private sectors compared (§8):

- Public sector employees in TWCR, on average, earn 6.9% *more* per week than private sector employees (TW 5.7%; RoCR 10.4%; UK 1.2%). *Hourly* earnings of the public sector are greater than in the private sector by 13.8% (TW 12.2%; RoCR 18.2%; UK 8.1%).
- Hours worked per week (and overtime worked), are shorter in the public sector than the private sector. Public sector men work in TWCR, on average about 2½ hours less, (38.6 hours per week) than in the

⁴ In TWRI's view, the ASHE's reported fall in men's earnings for Tyne & Wear should be treated with very considerable caution.

private sector (41.2 hours). Women work 2 hours less (36.2 hours) than in the private sector (38.2 hours). [Hours include overtime.]

Hourly Earnings and Hours of Work (§9):

- Hourly earnings rose (1998-2007) faster than weekly earnings, as average hours fell slightly in TWCR, by 1.1h for men and 0.3h for women (TW -1.0h for men and 0.5h for women).

Earnings in Real Terms (§10):

- 1998-2007, men's average real earnings (i.e. after RPI inflation) rose about 6% and women's 16% in TWCR (TW 4% and 17% respectively). Average annual compound rates of earnings growth in real terms are 0.6% pa for men and 1.7% pa for women (TW 0.5% and 1.8% respectively). Median earnings rose about 4 percentage points more slowly – so Tyne & Wear men's median earnings showed practically no growth in real terms over a decade.

In 2007, (excluding overtime) men's earnings fell in both TWCR (down -1.2%) and Tyne & Wear (down -1.8%) while the [RPI] inflation rate was 4.5% - meaning men's *real earnings fell* significantly in 2007. Caution: only one year's data and may be due to sampling error.

Note: These calculations assume that the rate of inflation has been the same in Tyne & Wear and UK over these periods.

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

- Earnings of residents in Tyne & Wear are typically 4-5% lower than at workplaces (TWCR only 1% lower) (given in §2). This difference is due to in-commuters into Tyne & Wear (on average) earning significantly more than out-commuters.
- For Tyne & Wear residents, on average, men & women earn £44 per week less than in West Yorkshire. This is an annual earnings gap of nearly £2,300.

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 2007 Annual Survey of Hours and Earnings (ASHE). The report covers the Tyne & Wear City Region (TWCR), and both higher- and lower-level geographies. It also makes comparisons with Leeds City Region (LCR) and West Yorkshire.

Earnings have been one of the handful of best quality local economic indicators. This is because earnings data are very timely, have a decent length of consistent time series and have a good sample size⁵. However, the sample size of the 2007 ASHE has been reduced by almost 20 per cent, and the results for Tyne & Wear show extremely weak earnings.

Important note on geographies:

The **areas presented** primarily focus on **City Region-level** but **Tyne & Wear [and TW districts] the North East, UK** and other **metropolitan counties** are also presented. **Leeds City Region** and **West Yorkshire** are the major comparator areas. For this report, TWRI made a special request to ONS' ASHE team for data for non-standard geographies and also for data which is not made publicly available [i.e. at a lower geographical level]. ONS now more commonly produces data at the UK level, for consistency with other sources, and so this 2007 report presents data for the UK only, in keeping with ONS' decision (n.b. one exception, T 11.2).

The analyses cover total employees and men and women employees separately. Earnings by occupation for the City Region are given in Appendix 2, along with United Kingdom, North East region and Tyne & Wear-level data.

The ASHE dataset was first produced in 2004. Its back series, (pre-2004), is based upon the New Earnings Survey (NES) dataset, which has a long, consistent time series. The only ASHE-type back series available, at time of writing, were from 1998-2003.

ASHE data for 2007 take account of a small number of methodological changes to improve the quality of results. These include changes to the sample design itself, as well as the introduction of an automatic occupation coding tool. Therefore, results for 2007 are only comparable with the 2006 results that have been produced using this methodology and are not comparable with results from previous years. [Note also the reduction in sample size.]

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 **for full-time employees** excluding over-time and payments in kind. 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.' If these boundaries are over 20% C.V. (coefficient of variation⁶), 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.

⁵ TWRI rated ASHE at 7/10 for quality before the 2007 results. This quality rating does NOT apply to annual changes or for areas or groups smaller than Tyne & Wear overall (as in Appendices). TWRI suspends its rating on the 2007 results in this report pending further evidence on their reported remarkably weak earnings in Tyne & Wear. Absolute falls in earnings, as reported for men, appear unlikely to have been actual.

⁶ 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.

Wages & salaries account for 70% (UK 67%) of gross weekly household income from all sources. Other sources of income are:

	NE	UK
Social Security Benefits	18%	12%
Pensions (+ Annuities)	7%	7%
Self Employment	4%	9%
Investment Income	2%	3%
Other Sources	0%	1%

(Source: ONS Family Spending 2007)

For further information on these non-earnings sources of income and overall household income, please refer to TWRI's report 'Household Income and Expenditure, 2006'.

This report on earnings of employees covers both full-time and part-time employees (part-time analyses in §3). Part-timers account for nearly a third of all employees, about 153,800 of over 499,400 employees in Tyne & Wear⁷.

⁷ Source: ONS Annual Business Inquiry (ABI) 2006

1.1 SUMMARY OF METHODOLOGICAL CHANGES BETWEEN ASHE AND NES

Note: A summary of methodological changes is provided here. For a full analysis of changes see TWRI's earlier ASHE-based 'Earnings Report 2004'.

1.1.1 Reasons for Survey and Questionnaire Changes

As in NES, ASHE uses data from the Inland Revenue's PAYE system as the main sample, but *weights* the survey responses to the population of jobs as measured by the Labour Force Survey⁸ (LFS). The survey sample has been increased to include employees in businesses outside of the PAYE system and those changing jobs between sample selection and the survey reference date.

The questionnaire design of NES was reviewed by ONS because it produced biased estimates of earnings:

- Survey responses were not weighted to the population of employees.
- Prime use of Inland Revenue's PAYE system yielded incomplete coverage of employees.
- Biases occurred due to differential non-response for employees of different types.
- The survey missed employees changing jobs between sample selection and the survey date.

Note from TWRI: the ASHE-based data are, however, 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 ASHE excludes employees of businesses not included on the interdepartmental business register (IDBR). This type of business will usually have a turnover lower than the VAT threshold, or have employees earning below the PAYE threshold.

1.1.2 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 LFS by occupation, gender, [super] 'region'⁹ and age. 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. With weighting, 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.

⁸ 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.

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.

1.1.3 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.
- 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.

1.1.4 Publication of the Median

ONS' 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 median is a useful guide in skewed distributions. It is beneficial because it is not affected by extreme values and it always exists as a value. This report uses both the average (mean) and median as a complementary guide to assess the findings of the ASHE.

1.1.5 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 measures the quality of an estimate, relative to the (size of) the estimate itself [in percentage terms]. ASHE gives four levels:

- 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 ASHE', *Office for National Statistics, Labour Market Trends*, December: No.12 (Vol.112), 457 – 464

1.2 THE NEW ASHE QUESTIONNAIRE (2005)

In 2005 ONS introduced improvements to the ASHE questionnaire. While the core data collected is essentially the same as that collected in 2004, some questions have been added or changed:

- The basic hours question was changed from asking for average weekly hours to asking for hours worked in the pay period. This gives consistency between the pay and hours information to give better hourly pay estimates.
- The definition of bonus pay was changed to enable the estimation of more consistent results by only collecting bonus pay for the April pay period.
- Questions on pensions have been updated and extended. New questions have been included asking for the pension contributions of both employer and employee.

Referenced throughout from Daffin, C. 'The new ASHE Questionnaire,' Oct. 2005

1.3 CONTEXT – RECENT DEVELOPMENTS

Earnings in the Construction Sector

There was weak growth in the Construction industry during 2005. According to RICS, "in 2005 earnings rose less than 2.2%, well down on the 4.7% increase in 2004." This deceleration in earnings growth was

due to the subdued nature of construction output throughout 2005, and RICS suggests that this has been magnified by the influx of workers from Eastern Europe (who according to a recent RICS survey have helped to keep a lid on wage increases).

Trade Union Members' Earnings

The hourly earnings of UK union members averaged £11.98 in autumn 2005, 17.6% more than the earnings of non-union employees. The earnings of non-union members averaged £10.19 per hour. In Q4 2006, the hourly earnings of union members averaged £12.43, 16.6% more than the average hourly earnings paid to non-members (£10.66). This is a slight decrease from the 17.6% union wage premium in 2005.

Trade Union Membership 2006, DTI Employment market analysis and research (April 2007)

2 AVERAGE AND MEDIAN GROSS WEEKLY EARNINGS, 2007

2.1 AVERAGE EARNINGS

The first section presents information on average weekly earnings in Tyne & Wear City Region (TWCR). The analyses cover men, women and all employees and compares TWCR to LCR, the UK and the North East¹⁰. The following section (§2.2) discusses median earnings.

In 2007, the average full-time employee in TWCR earned £472.60 per week, (£24,580 pa¹¹). This is 14.0% (£4,000) less than the UK average of £549.80 per week, (£28,590 pa) (Table 2.1). The earnings gap between TWCR and the UK is much larger for men, in percentage terms, than women. Men's average weekly earnings were £509.80 (15.9% below the UK average); whereas women's average weekly earnings were £417.30 (9.8% below the UK average).

In TWCR, earnings were lower in RoCR than in Tyne & Wear, by about £10pw (£500pa) (for both average and median). In contrast, in LCR, earnings were higher in RoLCR than in West Yorkshire, by about £3-5pw (£250pa). This indicates that in TWCR, RoCR is a 'weak tail' for Tyne & Wear, whereas in LCR, RoLCR is a 'strong tail' for West Yorkshire. TWCR men earn 7.0% less than men in LCR, while in Tyne & Wear, men earn 6.6% less than men in West Yorkshire. For men within TWCR, earnings were lowest within the Durham 4 LADs, at £498.90. For women, earnings were lowest within the Northumberland 4 LADs, at £393.60.

Table 2.1: Average earnings of full-time employees on adult rates (2007)

	MEN & WOMEN				MEN				WOMEN			
	Average		Median		Average		Median		Average		Median	
	£'s per week	Pence/hr (excl. o/time)	£'s per week	Pence/hr (excl. o/time)	£'s per week	Pence/hr (excl. o/time)	£'s per week	Pence/hr (excl. o/time)	£'s per week	Pence/hr (excl. o/time)	£'s per week	Pence/hr (excl. o/time)
Tyne & Wear City Region	£472.60	1206	£396.40	1008	£509.80	1259	£432.60	1052	£417.30	1123	£350.80	944
Tyne & Wear	£475.30	1216	£399.40	1015	£510.30	1262	£432.00	1059	£424.60	1145	£355.50	948
Rest of City Region	£465.00	-	£389.00	-	£508.40	-	£435.70	-	£395.10	-	£337.90	-
Durham 4	£459.00	-	£385.60 ^a	-	£498.90	-	£427.40 ^a	-	£395.90	-	£338.70 ^a	-
Northumberland 4	£476.20	-	£397.20 ^a	-	£525.80 ^a	-	£446.70 ^a	-	£393.60	-	£333.90 ^a	-
North East	£474.50	1202	£402.90	1014	£513.70	1258	£440.00	1062	£413.20	1111	£350.30	936
Leeds City Region	£501.00	1267	£425.40	1048	£547.90	1340	£466.50	1096	£429.70	1151	£367.40	968
West Yorkshire	£499.70	1268	£424.60	1050	£546.40	1338	£462.80	1097	£431.30	1159	£371.70	974
Rest of Leeds City Region	£505.40	-	£427.20	-	£552.60	-	£472.30	-	£423.50	-	£347.50	-
UK	£549.80	1400	£456.70	1134	£606.10	1498	£498.30	1196	£462.80	1240	£394.00	1046
TWCR % of UK	86.0%	86.1%	86.8%	88.9%	84.1%	84.0%	86.8%	88.0%	90.2%	90.6%	89.0%	90.2%
T&W % of UK	86.4%	86.9%	87.5%	89.5%	84.2%	84.2%	86.7%	88.5%	91.7%	92.3%	90.2%	90.6%
LCR % of UK	91.1%	90.5%	93.1%	92.4%	90.4%	89.5%	93.6%	91.6%	92.8%	92.8%	93.2%	92.5%

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a and 7.6a) and Specially Requested from ONS

¹⁰ Note: Earnings by occupation are given in Appendix 2 for TWCR, LCR, UK, the North East Region, Tyne & Wear, West Yorkshire, plus others.

¹¹ Annual average earnings given here are calculated by multiplying weekly average earnings by 52 weeks. In some instances this can result in sizeable differences from the annual figures provided in ASHE. For the figures presented here, the ASHE annual figure for TWCR (M&W) is £190pa lower than the weekly average multiplied by 52 weeks, but for the UK, it is £1,410pa higher.

In Tyne & Wear, the earnings gap (from the UK) was very similar to TWCR's for full-time employees (13.6%) and for men (15.8%), but was much lower for women at 8.3%. In LCR, the earnings gaps were lower for all categories, but particularly men; at 8.9% for all FT employees, 9.6% for men (over 6pp smaller than in TWCR) and 7.2% for women. Earnings in LCR were 6.0% higher than in TWCR; for men 7.5% higher and for women 3.0% higher.

In TWCR, average annual earnings were £26,510 for men and £21,700 for women. TWCR is marginally lower than TW (£26,540 for men, £22,080 for women). TWCR men earn about £2,000 less than in LCR (£28,490 for men, £22,340 for women) and West Yorkshire (£28,410 for men, £22,430 for women).

In the North East, average weekly earnings were lower than in the UK; men's earnings were £92.40 lower, and women's earnings were £49.60 lower. Tyne & Wear women's weekly earnings were £11.40 *higher* than in the North East. Tyne & Wear men's were £3.40 lower. In the CR, men's earnings were £3.90 lower and women's were £4.10 higher than regional earnings.

2.2 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.

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 distribution shape, technically 'skewed to the left' (low earnings), which causes median earnings to be much lower than the average – about £3,900pa lower than the average in both TWCR and Tyne & Wear.

In 2007, the median full-time employee in TWCR earned £396.40 per week (£20,610 pa) [£3,970 less than the average] (Table 2.1). Men's median earnings were £432.60 per week (£22,495 pa) [£4,015 less than the average]. Women's median earnings were £350.80 per week (£18,240 pa) [£3,460 less than the average].

Men earn more outside the conurbation in both TWCR and LCR. For men, median earnings were higher in RoCR (than in TW). In contrast, women earn more in the conurbation as median earnings were higher in TW (than in RoCR). Somewhat similarly, in LCR men's median earnings (but also men & women's) were higher in RoLCR than in West Yorkshire. Again, women's median earnings were higher in West Yorkshire than in RoLCR.

TWCR has a relative lack of high earners. Compared with the UK, TWCR's median (as a % ratio of UK) for men & women is 0.8 percentage points higher (86.8%) than the ratio of averages (86.0%). This effect applies particularly to men in TWCR (median 86.8%, average 84.1%; average 2.7pp lower ratio to UK). Conversely, for women in Tyne & Wear, there are [proportionately] more high-paid women than in the UK (median 89.0%, average 90.2%, average 1.2pp higher).

Compared to LCR, median earnings in TWCR were 6.8% (over £1,500) lower; 7.3% for men and 4.5% for women.

3 PART-TIME EARNINGS

Hourly earnings give a better indication of average earnings, as the problem of the exact amount of hours worked (part-time employees often do not have contracted hours) is removed. Part-time employees are those that work less than 30 hours per week.

In 2007, the average part-time employee in TWCR earned 940p per hour. This is 5.7% less than the UK (997p) (T3.1). Part-time men employees earn 1002p per hour, which is 10.9% less than the UK (1124p). TWCR part-time women employees earn 927p per hour, which is 3.9% less than the UK (965p).

Oddly, TWCR part-time earnings are slightly higher than LCR by 1.6%: for men 2.4% higher and for women 1.6% higher.

In Tyne & Wear, the average part-time employee earned 873p per hour. This is 12.4% less than the UK (997p). Part-time men employees earn 990p per hour, which is 11.9% less than the UK (1124p). Tyne & Wear part-time women employees earn 843p an hour, which is 12.6% less than UK (965p).

Table 3.1: Comparison of average earnings of part-time and full-time employees on adult rates* (2007)

	<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 City Region	940	1002 ^a	927	700	756 ^a	697	1206	1259	1123	1008	1052	944
Tyne & Wear	873	990 ^a	843	698	742 ^a	688	1216	1262	1145	1015	1059	948
North East	895	944	885	671	694 ^a	666	1202	1258	1111	1014	1062	936
Leeds City Region	925	978 ^a	912	700	666	704	1267	1340	1151	1048	1096	968
West Yorkshire	930	972 ^a	921	701	698 ^a	703	1268	1338	1159	1050	1097	974
UK	997	1124	965	727	718	729	1400	1498	1240	1134	1196	1046
TWCR % of UK	94.3%	89.1%	96.1%	96.3%	105.0%	95.6%	86.1%	84.0%	90.6%	88.9%	88.0%	90.2%
T&W % of UK	87.6%	88.1%	87.4%	96.0%	103.3%	94.4%	86.9%	84.2%	92.3%	89.5%	88.5%	90.6%
LCR % of UK	92.8%	87.0%	94.5%	96.3%	92.8%	96.6%	90.5%	89.5%	92.8%	92.4%	91.6%	92.5%

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

* Excluding overtime

Source: Annual Survey of Hours and Earnings 2007 (Table 7.6a) and Specially Requested from ONS, with TWRI calculations

In TWCR, average hourly earnings for part-time employees (940p) are 22% less than the equivalent for full-time employees (1206p). 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 the UK (1124p) are 16% greater than women's (965p) (T 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 & Equality Unit¹² states that part-time women earn 22% less than their full-time women counterparts in Great Britain. [These ASHE 2007 data in this TWRI report, also show that, in the UK, in hourly pay, women part-timers (965p) earn 22% less than women full-timers (1240p)].

For all part-time employees, hourly earnings are lowest in Tyne & Wear at 873p. The next lowest are earnings in the North East, at 895p. Earnings in Tyne & Wear are 6% lower than in West Yorkshire (930p).

¹² The Part-time Pay Penalty Report is available at www.womenandequalityunit.gov.uk

Men and women's hourly earnings are more compressed with top earners (top decile) in TWCR (1689p) compared to the UK (1820p) (see Table 3.2). Bottom decile earnings are generally at NMW (535p, as at October 2006 and 552p as at October 2007). In 2007, the ratio of median hourly part-time earnings (700p) to top hourly part-time earnings (1689p) for men and women in TWCR, at 41.4% was only slightly lower than in LCR, at 41.9%.

Table 3.2: Distribution of gross hourly earnings, part-time (pence per hour) (2007)

	Tyne & Wear City Region	Tyne & Wear	North East	Leeds City Region	West Yorkshire	UK
Men & Women						
Top decile	1689 ^b	x	1572 ^b	1668 ^b	1784 ^b	1820
Bottom decile	535	535	535	535	535	535
Men						
Top decile	x	x	2456 ^a	x	x	2393 ^a
Bottom decile	535	535	535	535	535	535
Women						
Top decile	x	x	1496 ^b	1576 ^b	1675 ^b	1703
Bottom decile	535	535	535	539	539	537

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%

x Data unreliable

Source: Annual Survey of Hours and Earnings 2007 (Table 7.6a) and Specially Requested from ONS

Table 3.3 illustrates the data on hourly pay from ASHE for the UK, the North East, TWCR, Tyne & Wear plus the constituent parts of TWCR. The table indicates the cumulative percentages earning below each threshold. It should be noted that this data only includes people on adult rates. The proportions earning under £5.50/hr are over 16.1% of part-time men (UK 18.6%) and 16.0% of part-time women (UK 13.2%). The proportions in the North East are higher at 22.2% of men and 19.7% of women.

The proportions earning over £10/hr are 33.6 % of part-time men in TWCR, 33.3% in Tyne & Wear, 30.0% in the North East, and 32.9% in the UK. Women part-timers earning over £10/hr are around 23% in TWCR, 20% in Tyne & Wear and the North East and 27% in the UK.

Table 3.3: Distribution of part-time hourly earnings [% earning under:] (2007)

		£5.00	£5.35	£5.50	£6.00	£6.50	£7.00	£7.50	£8.00	£10.00	£12.00	£14.00	£16.00	£18.00	£20.00
Tyne & Wear City Region	Men	x	x	16.1 ^b	28.5 ^b	38.5 ^a	43.2 ^a	48.9 ^a	54.8 ^a	66.4 ^a	76.7	81.5	84.0	88.1	89.0
	Women	x	5.7 ^b	16.0 ^a	29.7 ^a	42.1	50.3	56.0	62.4	77.3	83.7	87.5	89.8	92.3	93.7
Tyne & Wear	Men	x	x	x	30.1 ^b	40.5 ^b	44.1 ^a	50.8 ^a	56.4 ^a	66.7 ^a	78.2	83.0	84.6	88.1	88.7
	Women	x	5.9 ^b	15.6 ^b	29.9 ^a	42.6 ^a	51.2	57.8	64.3	80.0	87.4	90.9	92.9	95.4	96.8
Rest of City Region	Men	x	x	x	x	x	40.5 ^b	43.1 ^b	49.8 ^b	65.3 ^b	72.1 ^a	77.0 ^a	82.0 ^a	88.0 ^a	89.9 ^a
	Women	x	x	16.8 ^b	29.2 ^a	41.3 ^a	48.4 ^a	52.3 ^a	58.6 ^a	71.7	76.2	80.4	83.2	86.0	87.3
Durham 4	Men	x	x	x	x	x	x	x	49.7 ^b	60.6 ^b	70.9 ^b	75.5 ^b	80.7 ^a	89.8 ^a	89.8 ^a
	Women	x	x	x	25.2 ^b	34.0 ^b	41.9 ^a	45.5 ^a	50.9 ^a	64.2 ^a	70.6 ^a	76.8	81.3	85.1	86.2
Northumber- land 4	Men	x	x	x	x	x	x	x	x	74.5 ^b	74.5 ^b	79.8 ^b	84.5 ^b	84.5 ^b	90.1 ^a
	Women	x	x	19.6 ^b	34.2 ^b	50.3 ^a	56.4 ^a	60.6 ^a	68.0 ^a	80.8	83.1	84.9	85.7	87.1	88.7
North East	Men	x	x	22.2 ^b	35.2 ^a	44.3 ^a	49.2 ^a	54.2 ^a	59.2 ^a	70.0	78.1	83.3	84.9	88.3	90.6
	Women	3.2 ^b	6.7 ^b	19.7 ^a	34.4	46.4	54.4	59.9	65.4	79.6	85.0	88.8	91.5	93.7	95.0
UK	Men	5.6 ^a	8.7	18.6	30.3	40.4	46.9	52.6	56.5	67.1	73.6	77.8	81.2	84.1	86.5
	Women	2.7	5.0	13.2	26.6	37.8	45.8	52.4	58.1	72.7	80.1	84.7	88.4	91.3	93.4

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Specially Requested from ONS).

4 LOW PAY AND DISTRIBUTION OF EARNINGS

- Low pay for *full-timers* (under £250pw or £13,000pa)¹³ is more prevalent than in the UK (9.5%) in TWCR (10.7%), Tyne & Wear (10.6%) and more markedly in the North East (11.2%), LCR (10.7%) and West Yorkshire (10.8%) (see Table 4.1):
- In TWCR, 8.0% of men and 14.7% of women (UK 6.4% and 14.3% respectively) earn under £250pw
- This compares to 7.4% of men and 15.8% of women in LCR
- TW actually has slightly less prevalent low pay than in West Yorkshire and LCR [possibly connected to a higher public sector share of employment in Tyne & Wear].
- In Tyne & Wear, 7.4% of men and 15.1% of women earn under £250pw
- This compares to 7.5% of men and 15.6% of women in West Yorkshire

Table 4.1: Distribution of gross full-time weekly earnings [% earning under:] (2007)

	Tyne & Wear City Region	Tyne & Wear	North East	Leeds City Region	West Yorkshire	UK
Men & Women						
Top decile	£763.30	£766.7 ^a	£767.10	£798.40	£790.8 ^a	£905.90
Bottom decile	£247.60	£248.30	£244.90	£247.20	£247.00	£252.30
% earning under:						
£250	10.7 ^a	10.6 ^a	11.2	10.7	10.8 ^a	9.5
£350	38.6	37.4	37.9	-	-	30.1
£460	61.1	60.8	60.4	-	-	50.8
Men						
Top decile	£805.5 ^a	£815.1 ^b	£806.9 ^a	£887.1 ^a	£874.3 ^a	£1,009.60
Bottom decile	£260.90	£262.10	£260.30	£267.40	£264.70	£274.40
% earning under:						
£250	8.0 ^a	7.4 ^b	8.1 ^a	7.4 ^a	7.5 ^a	6.4
£350	31.1	30.3	30.2	-	-	23.3
£460	55.2	55.2	54.1	-	-	43.8
Women						
Top decile	£689.3 ^a	£703.7 ^a	£684.4 ^a	£694.2 ^a	£697.9 ^a	£747.40
Bottom decile	£233.60	£233.40	£229.40	£231.10	£230.30	£233.30
% earning under:						
£250	14.7 ^a	15.1 ^a	16.1 ^a	15.8 ^a	15.6 ^a	14.3
£350	49.6	47.8	49.9	-	-	40.5
£460	69.8	69.1	70.2	-	-	61.5

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%

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a) and Specially Requested from ONS.

The distribution of overall earnings were least dispersed in TWCR than in any of the other areas examined and also than in the UK. Earnings were most dispersed in LCR.

- In 2007, the top decile (10%) of men in TWCR earned 58% more than men's average earnings (TW 60%, NE 57%, LCR 62%, WY 60% and UK 67%).
- In 2007, the lowest decile of men in TWCR earned 49% less than men's average earnings (TW and NE 49%, LCR and WY 51% and UK 55%).

¹³ The NMW equates to about £11,500pa assuming a 40 hour week.

The top 10% of men in TWCR earned £805.50pw [nearly £41,900pa] (LCR £887.10pw). The bottom 10% of men in TWCR earned £260.90pw [under £13,600pa] (LCR £267.40pw).

The top 10% of men in TW earned £815.10pw [nearly £42,400pa] (WY £874.30pw). The bottom 10% of men in TW earned £262.10pw [over £13,600pa] (WY £264.70pw).

Women's earnings show:

- In 2007 the top decile of women in TWCR earned 65% more than women's average earnings (TW 66%, NE 66%, LCR 62%, WY 62% and UK 61%).
- In 2007 the bottom decile of women in TWCR earned 44% less than women's average earnings (TW 45%, NE 45%, LCR 46%, WY 47% and UK 50%).

The top 10% of women in TWCR earned over £689.30pw [over £35,800pa] (LCR £694.2pw). The bottom 10% of women earned under £233.60pw [under £12,200pa] (LCR £231.10pw).

The top 10% of women in TW earned £703.70pw [nearly £36,600pa] (WY £697.9pw). The bottom 10% of women earned under £233.40pw [under £12,150pa] (WY £230.30pw).

Table 4.2 gives data on low pay from ASHE. Data for men and women earning less than £5.00/hr have been suppressed for all areas below national-level; however 0.7% of men in the UK and 0.9% of women earn less than £5.00/hr. [These might be 18-21 year-olds on or around the lower NMW for this age-band.]

Table 4.2: Distribution of full-time earnings [% earning under:] (2007)

	Tyne & Wear City Region		Tyne & Wear		Rest of City Region		Durham 4		Northumberland 4		North East		UK	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Weekly Earnings														
£175	x	x	x	x	0.0	x	0.0	x	0.0	x	x	x	0.4 ^a	1.0 ^a
£200	x	4.0 ^b	x	4.2 ^b	x	x	x	x	x	x	x	4.5 ^b	1.2	3.3
£220	3.6 ^b	7.5 ^b	3.7 ^b	7.3 ^b	x	x	x	x	x	x	3.8 ^b	8.5 ^a	2.8	6.9
£250	8.0 ^a	14.7 ^a	7.4 ^b	15.1 ^a	9.5 ^b	13.4 ^b	x	13.7 ^b	x	x	8.1 ^a	16.1 ^a	6.4	14.3
£290	16.8 ^a	29.9 ^a	15.9 ^a	28.8 ^a	19.3 ^b	33.0 ^b	19.5 ^b	32.0 ^b	18.9 ^b	34.9 ^b	16.9	31.0	12.7	25.1
£310	21.8 ^a	36.8	20.5 ^a	35.3 ^a	25.3 ^a	41.5 ^a	26.8 ^b	40.5 ^a	22.5 ^b	43.6 ^b	21.7	37.6	16.1	30.6
Hourly Earnings														
£5.00	x	x	x	x	x	x	0.0	x	x	x	x	x	0.7 ^a	0.9 ^a
£5.50	2.4 ^b	4.3 ^b	x	4.3 ^b	x	x	x	x	x	x	2.7 ^b	5.0 ^b	2.3	3.6
£6.00	6.8 ^a	8.5 ^b	6.2 ^b	8.0 ^b	8.5 ^b	10.1 ^b	x	x	x	x	6.8 ^a	9.6 ^a	5.1	8.2
£6.50	9.1 ^a	12.8 ^a	8.2 ^b	12.1 ^a	11.3 ^b	14.8 ^b	11.1 ^b	x	x	x	9.5 ^a	13.9 ^a	8.3	13.3
£7.00	13.8 ^a	18.9 ^a	13.0 ^a	17.7 ^a	16.1 ^b	22.6 ^b	16.1 ^b	21.9 ^b	16.3 ^b	x	14.6 ^a	20.2 ^a	11.8	17.9
£7.50	18.6 ^a	25.4 ^a	17.0 ^a	23.9 ^a	23.0 ^a	29.9 ^a	23.6 ^b	29.1 ^b	21.8 ^b	31.3 ^b	19.5	26.7	15.4	23.0
£8.00	23.8	33.3	22.2 ^a	31.4 ^a	28.0 ^a	39.2 ^a	30.0 ^a	38.5 ^a	24.3 ^b	40.5 ^b	24.6	34.1	19.5	28.3

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

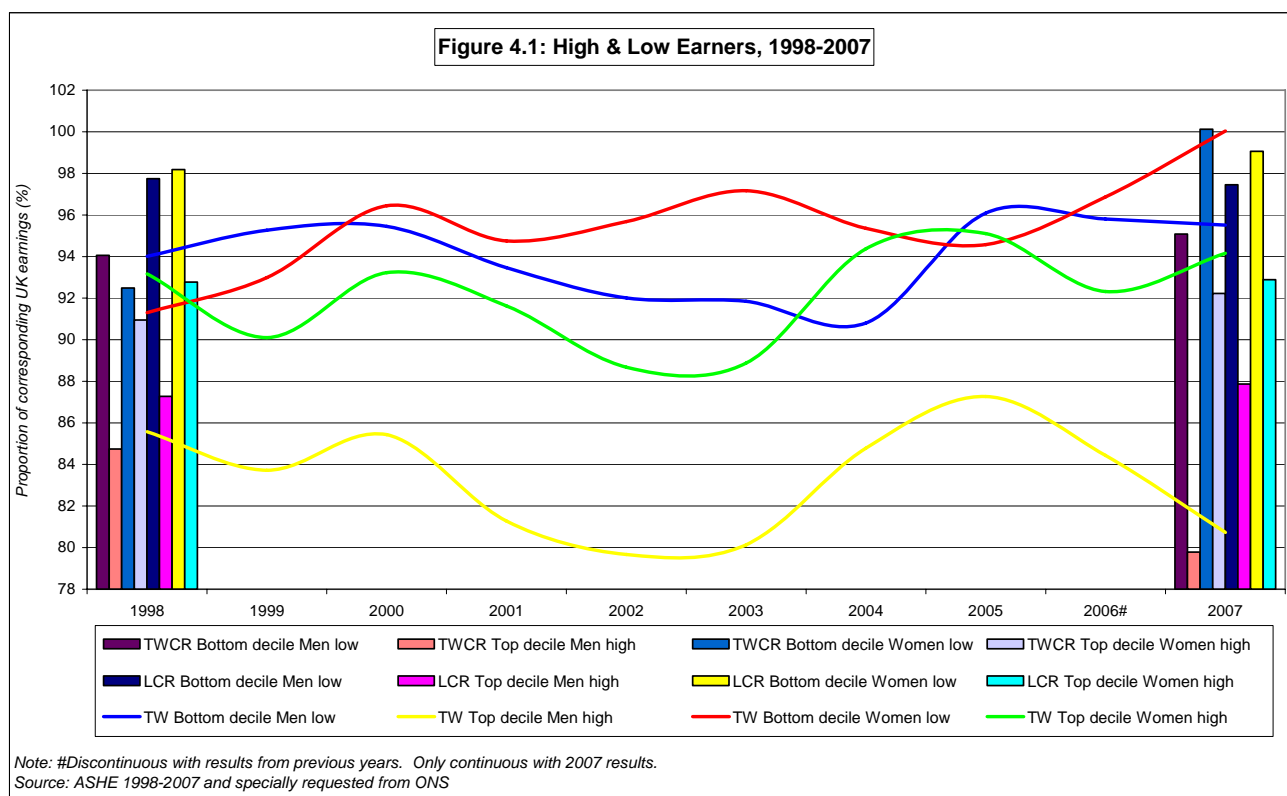
^b Acceptable, CV >10% and <=20%

x Unacceptable

Source: Annual Survey of Hours and Earnings 2007 (Specially Requested from ONS).

In 2006, Tyne & Wear's top earnings ceased to rise as a proportion of UK earnings, having risen in the two or three years to 2005 (Fig. 4.1). However, in 2007, top earnings for Tyne & Wear women as a proportion of UK earnings turned upward but for men the downward drift continued.

For women, low earnings had been on a downward trend in proportion to UK from 2003/04 [following the peak of 97% of the UK in 2003], however, in 2007 women's low earnings in Tyne & Wear were higher than in the UK. For men, low earnings improved relative to the UK level up to 2005, peaking at 96% in 2005, but fell relative to the UK slightly in 2007. The percentage disparity from UK earnings in 1998-2007 is greatest for highest-paid men in TWCR.



4.1 The National Minimum Wage (NMW)

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 *appears* to have fallen between 1998 and 2007, from 8.7% of employees [from LFS], to 1.5% [from ASHE] (Table 4.3). A firm conclusion cannot be drawn because of the change in sources.

Table 4.3: Employees earning below National Minimum Wage (NMW) 1998-2007

	1998		1999		2000		2001		2002		2003		2004		2005#		2006		2007	
	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%	,000	%
North East	80	8.7%	...	...	...	...	...	...	...	...	...	...	19 ^a	1.9% ^a	16 ^b	1.6% ^b	15 ^b	1.5% ^b	16 ^b	1.5% ^b
UK	1,280	5.6%	490	2.1%	230	1.0%	240	1.0%	340	1.4%	250	1.0%	276	1.1%	308	1.2%	296	1.2%	292	1.2%

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

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

... sample size too small for reliable estimate

The estimates for 2004 and later years are based on ASHE data only and so coefficients of variation are given for them and not for the estimates for previous years.

Before 2005 the estimates are for employees aged 18 and over, for 2005 the estimates are for those aged 16 and over.

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

The statutory NMW was introduced on 1st April 1999 at £3.60/hr for people aged 22 and over. The table below shows the changes in NMW up to October 2007.

Statutory National Minimum Wage (NMW) (for 22 years and over)	
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	£4.85/hr
01 October 2005	£5.05/hr
01 October 2006	£5.35/hr
01 October 2007	£5.52/hr
<i>Source: HM Revenue & Customs website</i>	

5 INCREASES IN EARNINGS

5.1 Increases in earnings, 2006/2007

Between 2006 and 2007, in TWCR the reported change in earnings (excluding overtime) (-0.2%) was an extra-ordinary 3.0 percentage points slower than in the UK (2.8%) (Table 5.1). This was due to a reported fall in earnings in Tyne & Wear (-0.6%), 3.4% slower than in the UK. The overall reported falls are due to men's earnings which fell by -1.2% in TWCR and by -1.8% in Tyne & Wear compared to 2.8% growth in the UK. Women's earnings rose (although weakly) up 1.2% in TWCR and 1.0% in Tyne & Wear, compared to a rise of 2.9% in the UK.

Table 5.1: Percentage increases in weekly earnings (excluding overtime) 2006/2007

	Tyne & Wear City Region		Tyne & Wear		North East		Leeds City Region		West Yorkshire		UK	
	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average	Median
Men & Women	-0.2%	1.0%	-0.6%	-0.1%	1.8%	2.2%	2.6%	2.3%	2.0%	2.4%	2.8%	2.5%
Men	-1.2%	-1.2%	-1.8%	-1.9%	0.7%	0.5%	3.3%	3.9%	2.6%	3.2%	2.8%	2.7%
Women	1.2%	2.1%	1.0%	1.4%	3.1%	4.5%	1.6%	0.5%	1.4%	2.2%	2.9%	2.9%

Source: ASHE 2006 and 2007 (Tables 7.2a) and Specially Requested from ONS, with TWRI calculations.

Caution: TWRI is not confident that the absolute fall in earnings reported by ASHE in 2007 for men in Tyne & Wear (and thus for men & women, and for TWCR) was actual. This is so out of line with all other areas, and 'common sense', that TWRI suspects it is due to problems with the Tyne & Wear sample (in 2007 and possibly in 2006). This view will be re-assessed in the light of evidence for 2008. This is not un-precedented; the 2003 results from NES were also incredibly low for Tyne & Wear [and flagged as such at the time by TWRI], and out of line with later years.

During 2006/07, earnings for the lowest ten percent of men grew at an only slightly faster rate in the UK than in Tyne & Wear (UK 3.7%, TW 3.4%). For women, earnings of the lowest 10% in Tyne & Wear grew at a much faster rate than in the UK (TW 6.5%, UK 3.1%).

Top decile earnings for men rose at a much faster rate in the UK than in Tyne & Wear (UK 3.0%, TW -1.5%). Conversely for women, top decile earnings rose at a faster rate in Tyne & Wear than in the UK (TW 5.2%, UK 3.1%).

5.2 Increases in earnings, 1998-2007

Table 5.2: Gross average weekly earnings in Metropolitan Counties, 1998-2007

	Average Weekly Wage (£)											% Change	
	1998	1999	2000	2001	2002	2003	2004	2005	2006 [~]	2006 [#]	2007	1998-2007	2006 [#] -2007
Men & Women													
London	515.70	536.50	571.50	606.60	641.30	659.00	667.30	696.60	715.50	713.70	731.20	41.8%	2.5%
W. Midlands	374.70	395.20	403.70	436.50	450.80	456.70	466.30	489.60	505.40	502.70	515.00	37.4%	2.4%
Manchester	367.00	384.70	397.90	418.40	434.40	450.10	465.20	482.70	510.10	507.00	526.40	43.4%	3.8%
Merseyside	368.90	378.30	393.90	419.20	433.80	427.00	448.60	475.60	486.80	482.80	504.00	36.6%	4.4%
W. Yorkshire	356.10	375.10	389.60	409.10	426.10	449.80	458.40	485.20	491.30	488.50	499.70	40.3%	2.3%
Tyne & Wear	349.10	359.50	379.50	391.70	404.70	413.70	440.90	466.60	479.30	476.90	475.30	36.2%	-0.3%
S. Yorkshire	344.90	353.90	367.90	383.60	402.00	421.10	439.80	449.70	471.70	468.70	484.10	40.4%	3.3%
TWCR	343.90									472.00	472.60	37.4%	0.1%
LCR	354.80									487.30	501.00	41.2%	2.8%
Men													
London	586.20	607.20	646.60	685.00	723.30	743.50	748.00	787.50	808.00	807.20	823.30	40.4%	2.0%
W. Midlands	418.30	436.20	448.00	481.40	494.80	501.50	508.90	537.80	556.80	554.50	568.00	35.8%	2.4%
Manchester	410.80	430.40	443.80	465.10	481.00	500.60	513.10	529.40	561.30	557.70	582.80	41.9%	4.5%
Merseyside	415.50	427.40	442.70	470.80	487.30	472.40	495.20	524.50	539.00	534.10	563.30	35.6%	5.5%
W. Yorkshire	391.70	412.50	429.10	447.80	469.00	496.50	499.50	527.20	532.90	529.90	546.40	39.5%	3.1%
Tyne & Wear	387.20	394.40	415.30	430.70	444.80	451.80	477.00	508.60	520.40	518.70	510.30	31.8%	-1.6%
S. Yorkshire	378.80	385.60	402.20	416.10	433.80	455.50	473.60	485.20	517.30	514.50	533.40	40.8%	3.7%
TWCR	381.90									514.50	509.80	33.5%	-0.9%
LCR	391.50									528.30	547.90	39.9%	3.7%
Women													
London	410.20	430.20	456.60	486.20	517.20	528.00	543.90	566.40	585.80	582.90	600.40	46.4%	3.0%
W. Midlands	295.20	318.10	321.80	354.30	371.30	376.70	390.40	411.30	424.90	421.60	431.80	46.3%	2.4%
Manchester	295.60	309.90	322.60	343.60	361.20	373.00	396.00	412.50	434.80	432.20	442.20	49.6%	2.3%
Merseyside	301.50	308.40	321.60	343.70	357.70	368.20	384.60	414.70	421.90	419.10	430.40	42.8%	2.7%
W. Yorkshire	295.70	313.40	323.00	345.10	355.50	376.00	393.40	421.20	428.20	425.40	431.30	45.9%	1.4%
Tyne & Wear	286.80	302.00	316.30	330.10	342.10	355.40	387.60	404.90	422.00	418.60	424.60	48.0%	1.4%
S. Yorkshire	284.30	300.20	307.40	328.40	346.00	362.00	384.30	391.80	401.40	398.00	407.30	43.3%	2.3%
TWCR	283.80									411.30	417.30	47.0%	1.5%
LCR	291.30									423.70	429.70	47.5%	1.4%

Source: Annual Survey of Hours and Earnings 1998 – 2007 (Tables 7.1a) and Specially Requested from ONS, with TWRI calculations.

[~]Consistent with 2005 methodology (revised)

[#]Consistent with 2007 methodology

Note: earnings in bold are the lowest

Between 1998-2007, the rise in women's earnings in Tyne & Wear (48%) was two percentage points faster than typical of the metropolitan counties and second to Greater Manchester (Table 5.2). For TWCR the rise was only 1pp faster.

For men & women's earnings and men's earnings, Tyne & Wear had the slowest rise (36.2%) of all the seven metropolitan counties (about 4pp adrift of the typical metropolitan county). For TWCR, the rise was only slightly faster than for Tyne & Wear.

In TWCR, higher earners rose about 7.4pp more quickly (+39.3% 1998-2007 for men & women) than earnings generally (median rose +31.9%). This explains why average earnings rose more quickly than the median. Importantly, TWCR's growth of median earnings has been about 5.5pp slower than the mean.

In Tyne & Wear, higher earners rose about 5.8pp more quickly (+37.2% 1998-2007 for men & women) than earnings generally (median rose +31.4%). Tyne & Wear's median earnings have risen about 4.8pp more slowly than the mean.

Importantly, *earnings increases* measured by the median in 2007 (see Table 5.2.1) are *significantly* lower than for the average. In 1998-2007, in TWCR, men & women's increase in median earnings was 31.9%, 5.5pp smaller than for the average. In Tyne & Wear, the increase was 31.4%, 4.8pp smaller. [This under-performance by the median will have been particularly marked for real earnings – denting their growth by around one-third overall since 1998 – Ed].

In TWCR, men's earnings, measured by the median, rose by 26.5% (1998-2007), 7pp lower than measured by the average. In Tyne & Wear, men's median earnings rose by 24.9%, 6.9pp slower than the average. In LCR, the difference was much lower, at only 4.6pp.

Women's median earnings in TWCR rose by 43.1% between 1998-2007, 3.9pp slower than the rise in their average. For Tyne & Wear, women's median earnings rose 43.3%, 4.7pp slower than their average. In LCR, the difference was 3.2pp.

Table 5.2.1: Gross median weekly earnings in Metropolitan Counties, 1998-2007

	Median Weekly Wage (£)											% Change	
	1998	1999	2000	2001	2002	2003	2004	2005	2006 [~]	2006 [#]	2007	1998-2007	2006 [#] -2007
Men & Women													
London	419.00	433.00	460.00	479.90	501.10	521.40	537.40	555.90	571.3	569.2	580.9	38.6%	2.1%
W. Midlands	329.90	337.90	348.70	371.70	383.50	391.10	400.90	415.20	427.3	425.4	440.1	33.4%	3.5%
G. Manchester	317.60	331.50	342.90	353.40	371.00	379.70	392.90	410.00	427.2	424.4	439.9	38.5%	3.7%
Merseyside	315.00	329.20	337.20	355.00	364.40	364.70	384.70	398.40	413.5	408.1	426.6	35.4%	4.5%
W. Yorkshire	314.70	326.40	340.00	349.90	361.10	379.80	388.60	403.80	417.6	415.4	424.6	34.9%	2.2%
Tyne & Wear	303.90	315.90	337.40	342.40	345.50	350.50	378.60	391.90	402.5	401.5	399.4	31.4%	-0.5%
S. Yorkshire	311.90	314.70	326.90	340.40	354.60	370.60	389.10	385.70	402.5	400.1	419.4	34.5%	4.8%
TWCR	300.50									394.2	396.4	31.9%	0.6%
LCR	311.90									414.6	425.4	36.4%	2.6%
Men													
London	468.20	480.30	507.30	531.30	551.40	575.80	593.20	621.10	629.6	626.2	643.5	37.4%	2.8%
W. Midlands	371.80	378.70	387.80	410.60	422.30	431.10	441.10	457.20	463.7	461.3	479.1	28.9%	3.9%
G. Manchester	355.10	371.50	375.00	388.00	408.30	414.80	435.60	448.00	464.2	462.1	483.7	36.2%	4.7%
Merseyside	361.70	374.90	375.80	392.30	398.40	401.90	437.70	439.20	458.8	456.5	473.3	30.9%	3.7%
W. Yorkshire	345.50	357.70	375.80	383.90	395.00	416.30	422.30	435.30	450.0	447.8	462.8	34.0%	3.3%
Tyne & Wear	345.80	350.80	380.60	390.10	383.90	393.10	415.10	430.60	442.0	441.0	432.0	24.9%	-2.0%
S. Yorkshire	340.40	346.80	363.20	374.90	381.80	402.60	425.70	421.60	450.2	449.2	460.0	35.1%	2.4%
TWCR	342.00									439.2	432.6	26.5%	-1.5%
LCR	344.70									446.9	466.5	35.3%	4.4%
Women													
London	364.60	379.60	393.50	422.30	443.40	460.70	475.90	490.90	510.1	507.9	518.5	42.2%	2.1%
W. Midlands	261.20	275.40	283.90	305.10	311.00	319.90	334.80	357.00	367.7	364.8	375.6	43.8%	3.0%
G. Manchester	260.70	274.80	287.20	300.50	316.70	326.80	345.40	354.60	373.8	369.4	378.7	45.3%	2.5%
Merseyside	264.10	274.50	278.70	299.90	316.70	324.30	333.30	364.60	371.8	368.9	385.5	46.0%	4.5%
W. Yorkshire	259.90	277.10	282.30	298.70	310.90	322.30	337.10	354.40	367.2	365.3	371.7	43.0%	1.8%
Tyne & Wear	248.10	259.40	276.20	280.10	289.80	307.00	328.90	338.20	354.7	352.3	355.5	43.3%	0.9%
S. Yorkshire	244.70	249.70	260.00	278.70	292.60	314.50	338.30	324.90	337.1	332.6	344.7	40.9%	3.6%
TWCR	245.20									344.7	350.8	43.1%	1.8%
LCR	254.60									364.1	367.4	44.3%	0.9%

Source: Annual Survey of Hours and Earnings 1998 – 2007 (Tables 7.1a) and Specially Requested from ONS, with TWRI calculations.

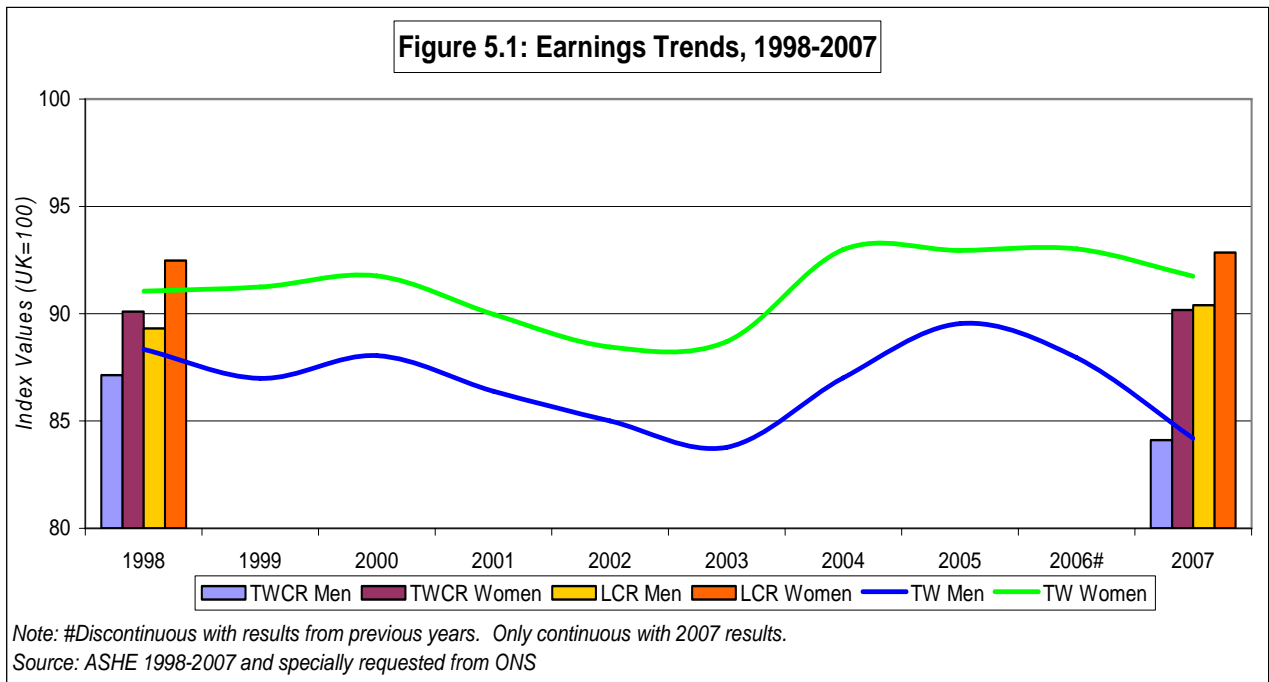
[~]Consistent with 2005 methodology (revised)

[#]Consistent with 2007 methodology

5.3 Trends in earnings relative to UK 1998-2007

Relative to the UK, from 1998-2007, after stability to 2000, over three years (i.e. from 2000-03) Tyne & Wear earnings declined by about 3 percentage points (Figure 5.1). This decline was sharply reversed after 2003. In each of the years 2004 to 2006, women's earnings were around 93% of the UK. Men's earnings fluctuated around 86%-88% to 2001, before reaching a low point of 84% of UK earnings in 2003. Two sharp rises of 3.2pp between 2003-04 and 2.5pp between 2004-05 brought men's earnings back up to almost 90% of UK earnings.

In Tyne & Wear in 2007, both men's and women's earnings fell relative to the UK. Men's earnings fell sharply (-3.8pp) while women's fell by -1.3pp.



[The high increase in TW earnings reported for 2005 (up 5.8% overall and up 6.6% for men) now looks particularly out of line in the context of the last ten years (in Fig. 5.1). This 'blip' in the estimate for TW men in 2005 could well have been due to sampling variability in the 2005 sample – Ed.]

In TWCR, between 1998 and 2007, men's earnings relative to the UK fell by 3pp (TW -4.2pp), quite unlike LCR (+1.1pp). Women's earnings, however, kept very close step with the UK actually rising by 0.1pp (TW +0.7pp, LCR +0.4pp).

6 COMPARISONS WITH OTHER COUNTIES

6.1 Other Counties and Unitary Authorities in England

For men & women, Tyne & Wear's average earnings are 68th among the (87) English counties, Metropolitan counties and Unitary authorities that data was available for. Men's earnings in Tyne & Wear rank 73rd and women's 45th.

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 in men's earnings. Durham men earn £63 a week less than their counterparts in Stockton, with Tyne & Wear men falling below the middle of the Unitary Authorities. Tyne & Wear women's earnings are the highest. Women in Tyne & Wear earn £57.80 a week more than their counterparts in Redcar & Cleveland.

Table 6.1: Average and median weekly earnings in Unitary Authorities in the NE (£)* (2007)

Men & Women					Men					Women				
	Aver. Earning	Rank in Eng.	Med'n. Earning	Rank in Eng.		Aver. Earning	Rank in Eng.	Med'n. Earning	Rank in Eng.		Aver. Earning	Rank in Eng.	Med'n. Earning	Rank in Eng.
Stockton-on-Tees	501.30	50	416.30 ^a	64	Stockton-on-Tees	557.90 ^a	44	468.70 ^a	50	Tyne & Wear	424.60	45	355.50	57
Redcar & Clevel.	492.50	54	479.10 ^a	17	Redcar & Clevel.	549.50	49	517.50 ^b	20	Darlington	424.40 ^b	46	377.50 ^a	36
Darlington	490.90	55	432.20 ^a	46	Hartlepool	541.90 ^a	53	458.30 ^b	61	Middlesbrough	411.30 ^a	58	325.40 ^b	82
Hartlepool	479.60 ^a	65	388.50 ^b	78	Darlington	534.10	56	497.10 ^a	30	Durham	404.20	63	340.30 ^a	73
Tyne & Wear	475.30	68	399.40	75	Tyne & Wear	510.30	73	432.00	74	Stockton-on-Tees	395.90 ^a	73	358.10 ^a	52
Middlesbrough	461.20	78.5	403.40 ^a	69	Northumberland	503.00 ^a	75	429.40 ^a	75	Northumberland	390.50	77	330.60 ^a	81
Northumberland	461.20	78.5	384.50 ^a	81	Middlesbrough	494.90 ^a	80	419.90 ^a	82	Hartlepool	381.60 ^a	84	351.50 ^a	59
Durham	460.70	80	387.80	79	Durham	494.60	81	421.60	80	Redcar & Clevel.	366.80 ^a	87	316.90 ^b	85

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

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

* In rank order

Source: Annual Survey of Hours and Earnings 2007 (Table 7.1a)

Occasionally, the median is very different from the average. For example, in Stockton, men's average earnings are £89 (£4,628pa) above the median. 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.

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

6.3 Other Metropolitan Counties

For Tyne & Wear, all earnings, and men's earnings are the lowest of the metropolitan counties in 2007 (Table 6.2), and women's earnings are second-lowest. This structure of earnings in the Met. Counties has been relatively stable over the last eight years.

The gap between men's earnings in TWCR and LCR is £38pw (nearly £2,000pa). For women the gap (from LCR) is smaller, at £12pw (or over £600pa).

Table 6.2: Gross average and median weekly earnings in Metropolitan Counties (£)* (2007)

	<u>Men & Women</u>			<u>Men</u>			<u>Women</u>	
	Average	Median		Average	Median		Average	Median
London	731.20	580.90	London	823.30	643.50	London	600.40	518.50
G. Manchester	526.40	439.90	G. Manchester	582.80	483.70	G. Manchester	442.20	378.70
W. Midlands	515.00	440.10	W. Midlands	568.00	479.10	W. Midlands	431.80	375.60
Merseyside	504.00	426.60	Merseyside	563.30	473.30	W. Yorkshire	431.30	371.70
W. Yorkshire	499.70	424.60	W. Yorkshire	546.40	462.80	Merseyside	430.40	385.50
S. Yorkshire	484.10	419.40	S. Yorkshire	533.40	460.00	Tyne & Wear	424.60	355.50
Tyne & Wear	475.30	399.40	Tyne & Wear	510.30	432.00	S. Yorkshire	407.30	344.70
<i>* In rank order</i>								
TWCR	472.60	396.40	TWCR	509.80	432.60	TWCR	417.30	350.80
LCR	501.00	425.40	LCR	547.90	466.50	LCR	429.70	367.40

Source: Annual Survey of Hours and Earnings 2007 (Table 7.1a) and Specially Requested from ONS

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

Table 6.3: Median Weekly Earnings as % of the Mean in Metropolitan Counties (£) (2007)

	<u>Men & Women</u>			<u>Men</u>			<u>Women</u>	
London	79.4%		London	78.2%		London	86.4%	
G. Manchester	83.6%		G. Manchester	83.0%		G. Manchester	85.6%	
W. Midlands	85.5%		W. Midlands	84.3%		W. Midlands	87.0%	
Merseyside	84.6%		Merseyside	84.0%		W. Yorkshire	86.2%	
W. Yorkshire	85.0%		W. Yorkshire	84.7%		Merseyside	89.6%	
S. Yorkshire	86.6%		S. Yorkshire	86.2%		Tyne & Wear	83.7%	
Tyne & Wear	84.0%		Tyne & Wear	84.7%		S. Yorkshire	84.6%	
TWCR	83.9%		TWCR	84.9%		TWCR	84.1%	
LCR	84.9%		LCR	85.1%		LCR	85.5%	

Source: Annual Survey of Hours and Earnings 2007 (Table 7.1a) and Specially Requested from ONS

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.

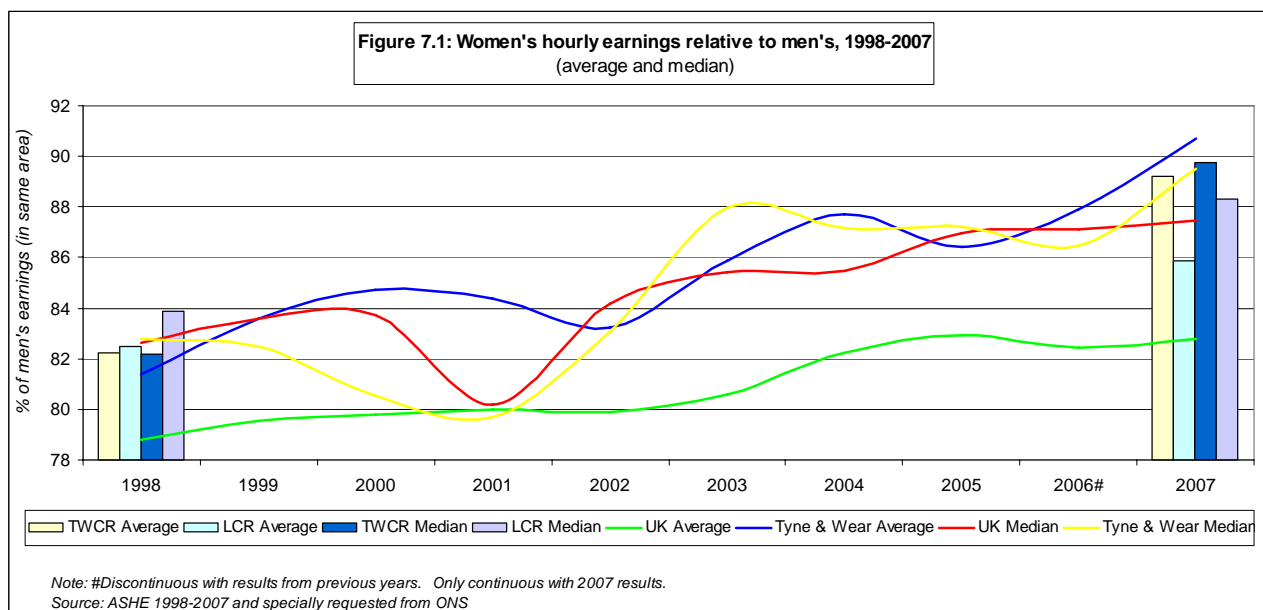
Women’s earnings are more meaningfully compared to men’s using hourly earnings rather than weekly earnings as hourly figures exclude differences due to hours and overtime payments.

In Tyne & Wear, women’s earnings have risen relative to men’s, at over double the rate of the UK (Figure 7.1). In 1998-2007 the ratio of women’s average hourly earnings compared to men’s rose just 4.0pp for the UK, but 9.4pp in Tyne & Wear. Between 2003-2007 average and median women’s earnings have continued to grow slowly but steadily in the UK. However, in Tyne & Wear, women’s average hourly earnings have fluctuated significantly. In 2005, Tyne & Wear women’s [average] hourly earnings fell to 86.4% of men’s. However, in 2006 and 2007 especially, women’s earnings relative to men’s have recovered considerably to peak at 90.7% in 2007.

In 1998-2007, in TWCR, the ratio of women’s average earnings relative to men’s rose by a substantial 7.0pp (median 7.5pp), whereas for LCR the rise was more like half this, at 3.4pp (median 4.5pp).

In Tyne & Wear, relative to men’s earnings, the *median* women’s earnings in Tyne & Wear in 2001-2003 rose sharply (by 8pp). Women’s median earnings fell slightly in 2004 remaining at 87% of men’s in 2005, but fell further in 2006 to 86.5%. However, in 2007, this recovered to 89.5%. For the same period (2001-2007) the UK’s median women’s earnings rose 7pp (red line in Figure 7.1).

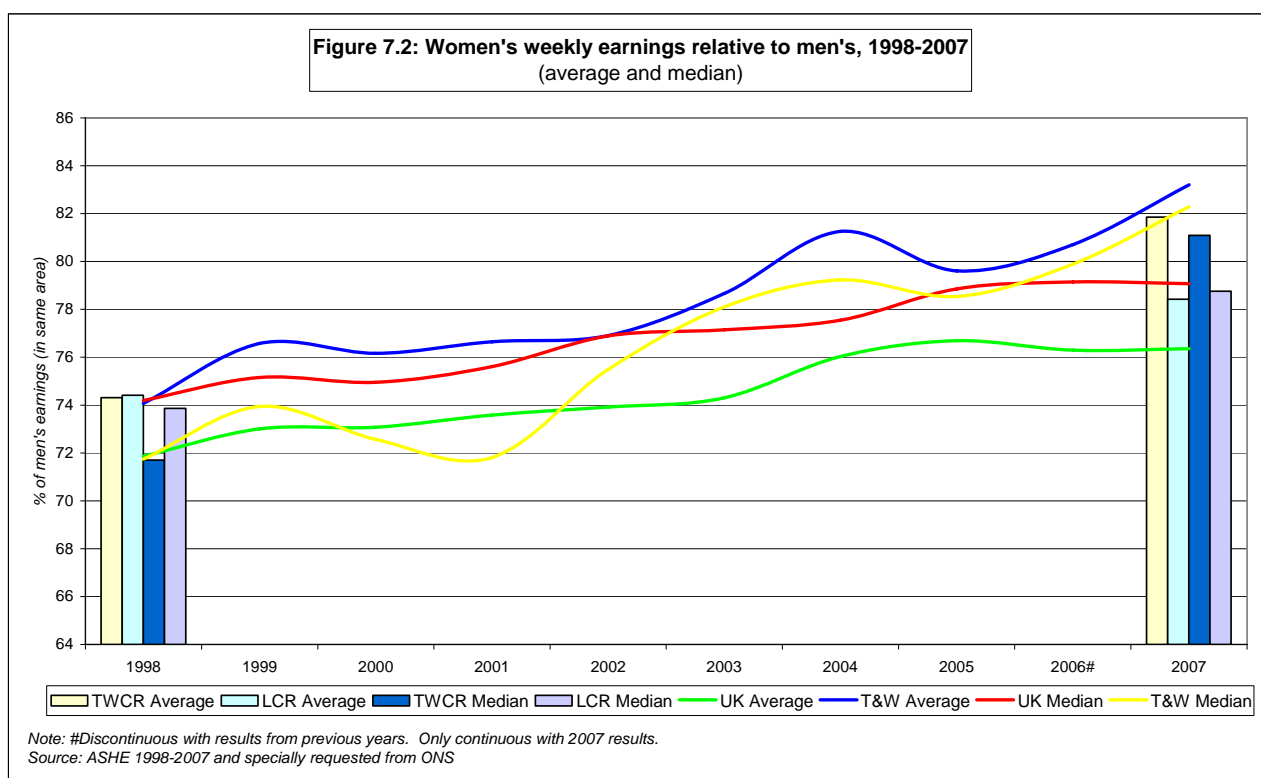
- Amongst women, in Tyne & Wear, unusually, it is high earners who have been relative ‘gainers’. In the UK, conversely, the bulk of women, shown by the *median*, are relatively closer (87.5%) to men’s earnings; the *average* women’s earnings are lower (82.8%) in relation to men’s. TWCR and LCR show the same pattern as the UK.
- In Tyne & Wear, the percentage rise in earnings of women relative to men’s from 1998–2007 is much larger for the average (up 9.4pp) than for the median (up 6.7pp). The reverse is evident in TWCR, LCR and the UK.
- In the UK, both (mean and median) ratios had similar increases of 4-5pp over the 9 years (up 4.0pp, median 4.9pp). TWCR had faster increases in ratios of around 7pp over the same period (up 7.0pp, median 7.5pp). Differences between the changes in the mean ratio and median ratio were greatest in Tyne & Wear (at 2.6pp) and LCR (at 1.1pp).



Women's weekly average earnings in Tyne & Wear are very much closer to men's average earnings than in the UK, by about 6.8pp (Figure 7.2). In 2007, average weekly earnings for women in Tyne & Wear were 83% of men's (UK 76%). The gap between women's *median* weekly earnings and men's in Tyne & Wear was also smaller than in the UK (Tyne & Wear 82%, UK 79%).

The ratio of women's weekly earnings to men's in Tyne & Wear and the UK has been on a positive trend over the period 1998-2007. In Tyne & Wear, women's weekly earnings rose 9.1pp (relative to men's) (shown by the blue line in Fig 7.2, but note the effect of the steep fall in 2004/05 of 1.7pp). The rise in the UK [shown by green line in Fig 7.2] was 4.5pp with a continued slow but steady rise, slowing only slightly from 2005.

In TWCR, over the period 1998-2007, the ratio of women's earnings to men's rose 7.5pp, whereas in LCR the increase was below the UK average, at 4.0pp.



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.

In TW, however, the weakness of men's earnings has boosted and flattered the ratio of women's earnings to men's.

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.

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 are for men and women employees at City Region-level as well as for the UK, England, North East, Tyne & Wear and West Yorkshire.

In both TWCR and LCR, employees working in the public sector (all employees, male employees and female employees) earn more per week [and per hour] than those employed in the private sector (Table 8.1). This was also the case for both Tyne & Wear and West Yorkshire.

In TWCR, public employees earn about £34pw more than private. In the UK the differential is just £6pw. This is mainly due to men being paid £30pw more than in the [low-paid] private sector. Private sector earnings for men & women (by about £23pw) and men (by over £32pw) were significantly lower in Tyne & Wear than in West Yorkshire. Conversely, Tyne & Wear (private sector) women's earnings were slightly higher than in West Yorkshire.

Table 8.1: Average full-time earnings of public and private sector employees on adult rates (2007)

	£'s per week			Pence per hour (excludes overtime)		
	All Employees	Men	Women	All Employees	Men	Women
Public sector employees						
Tyne & Wear City Region	495.00	534.50	463.20	1328	1385	1280
Tyne & Wear	492.80	531.00	462.70	1323	1373	1281
Rest of City Region	501.20	544.10	464.90	1344	1418	1278
Durham 4	492.50	543.20 ^a	450.30	1291	1407 ^a	1192
Northumberland 4	521.30	546.10 ^a	499.50 ^a	1476 ^a	1444 ^a	1509 ^a
North East	501.80	543.00	470.10	1346	1408	1295
Leeds City Region	534.80	606.90	482.70	1439	1575	1334
West Yorkshire	532.70	601.00	485.70	1440	1562	1350
Rest of Leeds City Region	544.50	629.30 ^a	467.40 ^a	1435	1621 ^a	1258 ^a
England	562.90	634.30	507.50	1508	1640	1400
UK	555.50	622.80	503.40	1485	1606	1387
TWCR as a % of UK	89.1%	85.8%	92.0%	89.4%	86.2%	92.3%
TW as a % of UK	88.7%	85.3%	91.9%	89.1%	85.5%	92.4%
Private sector employees						
Tyne & Wear City Region	460.90	500.30	371.60	1145	1215	973
Tyne & Wear	464.90	501.90	384.70	1161	1223	1013
Rest of City Region	449.20	495.90 ^a	328.50 ^a	1099	1191 ^a	845 ^a
Durham 4	437.50 ^a	479.40 ^a	336.20 ^a	1066	1147 ^a	858 ^a
Northumberland 4	469.60 ^a	523.70 ^a	312.90 ^a	1158	1266 ^a	820 ^a
North East	463.10	505.60	360.90	1142	1216	948
Leeds City Region	488.80	534.90	385.60	1204	1284	1010
West Yorkshire	485.50	533.10	382.10	1198	1281	1002
Rest of Leeds City Region	499.30	540.60	397.70 ^a	1224	1292	1040 ^a
England	561.00	614.70	444.00	1391	1488	1163
UK	549.10	602.20	434.50	1365	1465	1139
TWCR as a % of UK	83.9%	83.1%	85.5%	83.9%	82.9%	85.4%
TW as a % of UK	84.7%	83.3%	88.5%	85.1%	83.5%	88.9%

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

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

Source: Annual Survey of Hours and Earnings 2007 (Tables 13.1a & 13.6a) and Specially Requested from ONS

In the public sector, earnings are higher in the RoCR than the metropolitan area in both CRs. Private sector earnings in the RoCR [the 'weak tail'] are significantly lower (by £15.70) than in Tyne & Wear. Conversely, in RoLCR private sector earnings are £13.80 above West Yorkshire.

Compared with Tyne & Wear, West Yorkshire's private sector earnings are about £20pw higher but its public sector earnings are £40pw higher (than in Tyne & Wear). This is due to men in West Yorkshire's public sector earning a remarkable £70pw (over £3,500pa) more than in Tyne & Wear. [Perhaps this is partly due to the NHS Executive based in Leeds, and civil service activities being more highly-skilled and/or senior activities than in Tyne & Wear.]

In both the public and private sector, weekly and hourly earnings are lower than in the UK and England in all the areas considered (with the exception of RoLCR men – both weekly and hourly earnings, and Northumberland 4 women's hourly earnings) (Table 8.1). Also, earnings are lower in both sectors in TWCR than in LCR.

Public sector earnings are higher in TWCR than in Tyne & Wear, with the exception of women's hourly earnings. Conversely, in the private sector, earnings in Tyne & Wear are higher than in TWCR.

TWCR's public sector earnings are lower than in the North East [perhaps the major DWP complex in TW depresses TWCR –Ed]. In the private sector, women's weekly earnings are higher in the CR than the NE and hourly earnings are also higher (except men's) (see Table 8.1).

In TWCR and Tyne & Wear, private sector top and bottom earners are further from the average [more polarised] than in the public sector, where earnings are more compressed (see Table 8.2). However, LCR shows the opposite pattern, with private sector top and bottom earnings much closer to the England and UK averages.

Top private sector earnings are higher in Tyne & Wear than in TWCR, unlike in West Yorkshire where top private earnings are lower in West Yorkshire than in LCR. Top-earning private sector men earn £50pw (over £2,500pa) more in West Yorkshire than in Tyne & Wear. [This might reflect a) a higher proportion of them working in high-value activities in Finance and Business Services and b) senior managers with a larger responsibility (e.g., for NE and Yorkshire).]

Similarly in the public sector, top earnings are slightly higher in Tyne & Wear than in TWCR, but in West Yorkshire, top earnings are significantly lower in West Yorkshire than in LCR. [TWRI suspects that in LCR, earnings in York and Harrogate – which are important parts of RoLCR – are higher than in West Yorkshire.]

Table 8.2: Distribution of full-time public and private sector gross weekly earnings (£) (2007)

		Public Sector			Private Sector		
		All	Men	Women	All	Men	Women
Tyne & Wear City Region	Top Decile	763.60 ^a	x	726.10 ^b	766.30 ^a	788.00 ^b	x
	Bottom Decile	278.10	294.60	268.10	230.60	252.80	210.30
Tyne & Wear	Top Decile	764.10 ^b	x	x	770.40 ^a	798.40 ^b	x
	Bottom Decile	275.80	294.50	265.50	231.30	257.70	208.00
Rest of City Region	Top Decile	x	x	x	x	x	x
	Bottom Decile	278.70	296.30 ^a	271.10 ^a	230.00	240.10	211.70
North East	Top Decile	766.50 ^a	x	726.10 ^a	769.20 ^a	797.80 ^a	557.70 ^b
	Bottom Decile	274.50	290.50	264.30	230.00	253.20	203.20
Leeds City Region	Top Decile	839.80 ^b	x	748.90 ^b	794.40 ^a	871.80 ^a	619.70 ^b
	Bottom Decile	270.80	292.40	260.40	240.00	264.30	215.20
West Yorkshire	Top Decile	806.10 ^b	x	753.70 ^b	779.30 ^a	848.60 ^a	618.00 ^b
	Bottom Decile	267.60	286.70	258.20	239.60	261.90	215.40
Rest of Leeds City Region	Top Decile	x	x	x	849.60 ^b	x	x
	Bottom Decile	272.40	311.80	267.50 ^a	242.50	271.90	212.90
England	Top Decile	862.10	994.10	771.10	966.50	1,054.00	747.30
	Bottom Decile	285.90	319.80	273.30	245.90	269.50	220.70
UK	Top Decile	847.80	968.60	761.70	947.70	1,027.30	726.50
	Bottom Decile	283.40	311.10	271.20	242.40	267.10	219.10

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

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

Source: Annual Survey of Hours and Earnings 2007 (Table 13.1a) and Specially Requested from ONS

In all areas, public sector employees work about 2 hours fewer per week (including overtime) than in the private sector (see Table 8.3). In TWCR, men public sector employees work 38.6 hours per week (including 1.2 hours overtime) compared to 41.2 hours (including 2.4 hours overtime) in the private sector.

Women public sector employees in TWCR work 36.2 hours per week (overtime 0.5 hours) compared to 38.2 hours (including 0.9 hours overtime) in the private sector.

Differences between TWCR and LCR are small; hours worked are slightly higher in the public sector in TWCR, but slightly higher in the private sector in LCR.

Table 8.3: Average hours worked and overtime of public and private sector employees (2007)

		Public Sector			Private Sector		
		All	Men	Women	All	Men	Women
Tyne & Wear City Region	Average hrs worked (inc. overtime)	37.3	38.6	36.2	40.3	41.2	38.2
	Average overtime (hrs)	0.8 ^b	1.2 ^b	0.5 ^b	1.9 ^a	2.4 ^a	0.9 ^b
Tyne & Wear	Average hrs worked (inc. overtime)	37.2	38.7	36.1	40.1	41.0	38.0
	Average overtime (hrs)	0.9 ^b	1.3 ^b	x	1.8 ^a	2.4 ^a	0.7 ^b
Rest of City Region	Average hrs worked (inc. overtime)	37.3	38.4	36.4	40.9	41.6	38.9
	Average overtime (hrs)	x	x	x	2.2 ^b	2.6 ^b	x
North East	Average hrs worked (inc. overtime)	37.3	38.6	36.3	40.5	41.6	38.1
	Average overtime (hrs)	0.8 ^a	1.1 ^b	0.5 ^b	2.0 ^a	2.6 ^a	0.8 ^b
Leeds City Region	Average hrs worked (inc. overtime)	37.2	38.5	36.2	40.6	41.7	38.2
	Average overtime (hrs)	0.9 ^b	1.4 ^b	0.6 ^b	1.9 ^a	2.5 ^a	0.7 ^b
West Yorkshire	Average hrs worked (inc. overtime)	37.0	38.5	36.0	40.5	41.6	38.1
	Average overtime (hrs)	0.9 ^b	1.4 ^b	0.6 ^b	1.9 ^a	2.4 ^a	0.7 ^b
Rest of Leeds City Region	Average hrs worked (inc. overtime)	38.0	38.8	37.2	40.8	41.8	38.2
	Average overtime (hrs)	x	x	x	2.1 ^a	2.7 ^b	x
England	Average hrs worked (inc. overtime)	37.3	38.7	36.3	40.3	41.3	38.2
	Average overtime (hrs)	0.9	1.4	0.6	1.7	2.1	0.7
UK	Average hrs worked (inc. overtime)	37.4	38.8	36.3	40.3	41.3	38.2
	Average overtime (hrs)	0.9	1.4	0.6	1.7	2.1	0.7

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

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

Source: Annual Survey of Hours and Earnings 2007 (Tables 13.9a and 13.11a) and Specially Requested from ONS

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 2006/07, [reported] hourly earnings in TWCR fell¹⁴ -0.9% for men compared to a 1.6% rise for women (Table 9.1). Hourly earnings in TW fell -1.6% for men, compared to a 1.5% rise for women. Men's earnings rose in all three comparators and were fastest in LCR (2.9%). In contrast, rises in women's earnings were faster in TW and TWCR than in West Yorkshire and LCR, although UK growth was fastest (3.2%).

Table 9.1: Percentage change in average and median hourly earnings, 2006/2007*

	Men		Women	
	Average	Median	Average	Median
Tyne & Wear City Region	-0.9%	-1.2%	1.6%	3.5%
Tyne & Wear	-1.6%	-1.9%	1.5%	1.6%
Leeds City Region	2.9%	2.2%	1.4%	0.7%
West Yorkshire	2.2%	1.8%	1.2%	0.5%
UK	2.7%	2.7%	3.2%	3.2%
TWCR - difference from UK	-3.7%	-4.0%	-1.5%	0.4%
T&W - difference from UK	-4.4%	-4.6%	-1.7%	-1.5%
LCR - difference from UK	0.2%	-0.5%	-1.8%	-2.4%
WY - difference from UK	-0.5%	-1.0%	-1.9%	-2.6%

* Excluding overtime

Source: Annual Survey of Hours and Earnings 2006 and 2007 (Tables 7.6a) and Specially Requested from ONS, with 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.

Table 9.1.1 shows the coefficients of variation for average and median hourly earnings in 2006 and 2007 [all are below 5%].

Table 9.1.1: Coefficients of variation for average and median hourly earnings, 2006 and 2007

	Men				Women			
	AVERAGE		MEDIAN		AVERAGE		MEDIAN	
	2006	2007	2006	2007	2006	2007	2006	2007
TWCR	1.7	1.9	2.5	2.2	1.8	1.8	2.3	2.1
Tyne & Wear	1.9	2.1	2.6	2.5	2.0	2.1	2.9	2.8
LCR	1.3	1.6	1.6	2.1	1.3	1.5	2.0	2.3
West Yorkshire	1.5	1.9	1.9	2.3	1.5	1.6	2.2	2.5
UK	0.3	0.3	0.3	0.2	0.3	0.3	0.4	0.4

Source: Annual Survey of Hours and Earnings 2006 and 2007 (Tables 7.6b) and Specially Requested from ONS

¹⁴ TWRI is not confident that these reported estimated falls in Tyne & Wear and TWCR actually occurred. See detailed caution on Table 5.1.

Since 1998, growth in men's earnings in TWCR (37%) and TW (35%) has been significantly (4-6pp) slower than the UK (41%) (Table 9.2). In contrast, growth in women's earnings in both areas (TWCR 49%; TW 51%) has been (1-3pp) faster than the UK (48%) particularly in TW. West Yorkshire and LCR were much closer to UK earnings growth (mainly within 1 percentage point of UK growth of earnings).

Table 9.2: Percentage change in average and median hourly earnings, 1998-2007*

	Men		Women	
	Average	Median	Average	Median
Tyne & Wear City Region	37.1%	32.8%	48.7%	45.0%
Tyne & Wear	35.1%	32.0%	50.7%	42.8%
Leeds City Region	42.1%	37.0%	47.9%	44.3%
West Yorkshire	41.1%	36.8%	46.5%	43.7%
UK	40.7%	36.8%	47.8%	44.9%
TWCR - difference from UK	-3.5%	-4.0%	0.9%	0.1%
T&W - difference from UK	-5.5%	-4.8%	2.9%	-2.1%
LCR - difference from UK	1.4%	0.2%	0.1%	-0.6%
WY - difference from UK	0.5%	-0.1%	-1.3%	-1.2%

* Excluding overtime

Source: Annual Survey of Hours and Earnings 1998 - 2007 (Tables 7.6a) and Specially Requested from ONS, with TWRI calculations.

Women's hourly earnings in TWCR rose almost a third faster than men's (49% women, 37% men) and almost 1½ times as fast in Tyne & Wear (51% women, 35% men).

9.2 Hours Worked

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

Between 1998 and 2007, hours worked by men fell in TWCR (-1.1 hours) TW (-1.0 hours) and the UK (-0.7 hours). The hours worked by women fell very slightly in all three areas (TWCR -0.3 hours, TW -0.5 hours, UK -0.1 hours) (See Table 9.3). Tyne & Wear men's hours are now short relative to West Yorkshire (by 0.7h) (revised up).

Table 9.3: Average and median hours of work per week, 1998-2007*

	Men										Women									
	Tyne & Wear City Region		Tyne & Wear		Leeds City Region		West Yorkshire		UK		Tyne & Wear City Region		Tyne & Wear		Leeds City Region		West Yorkshire		UK	
	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.	Av.	Med.
1998	41.4	39.0	41.2	39.0	41.7	39.0	41.5	39.0	41.4	39.0	37.5	37.0	37.6	37.0	37.4	37.0	37.3	37.0	37.5	37.1
1999			41.0	39.0			41.1	39.0	41.1	39.0			37.5	37.0			37.3	37.0	37.5	37.0
2000			41.3	39.0			41.2	39.0	41.0	39.0			37.4	37.0			37.2	37.0	37.4	37.0
2001			41.1	39.0			40.8	39.0	41.0	39.0			37.5	37.0			37.3	37.0	37.5	37.0
2002			40.6	39.0			40.9	39.0	40.8	39.0			37.5	37.0			37.3	37.0	37.5	37.0
2003			40.7	39.0			40.6	39.0	40.8	39.0			37.3	37.0			37.2	37.0	37.4	37.0
2004			40.4	38.8			40.6	38.5	40.8	39.0			37.5	37.0			37.2	37.0	37.5	37.0
2005			40.5	39.0			40.3	38.5	40.6	39.0			37.5	37.0			37.2	37.0	37.4	37.0
2006 [#]			40.2	38.9			40.3	38.5	40.7	39.0			37.2	37.0			37.2	37.0	37.6	37.0
2006 [#]	40.3	39.0	40.2	38.8	40.7	39.0	40.6	39.0	40.7	39.0	37.5	37.0	37.3	37.0	37.4	37.0	37.2	37.0	37.6	37.0
2007	40.3	39.0	40.2	38.8	41.0	39.1	40.9	39.0	40.7	39.0	37.2	37.0	37.1	37.0	37.4	37.0	37.3	37.0	37.4	37.0
% change																				
2006 [#] - 2007	0.0	0.0	0.0	0.0	0.3	0.1	0.3	0.0	0.0	0.0	-0.3	0.0	-0.2	0.0	0.0	0.0	0.1	0.0	-0.2	0.0
% change																				
1998 - 2007	-1.1	0.0	-1.0	-0.2	-0.7	0.1	-0.6	0.0	-0.7	0.0	-0.3	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1

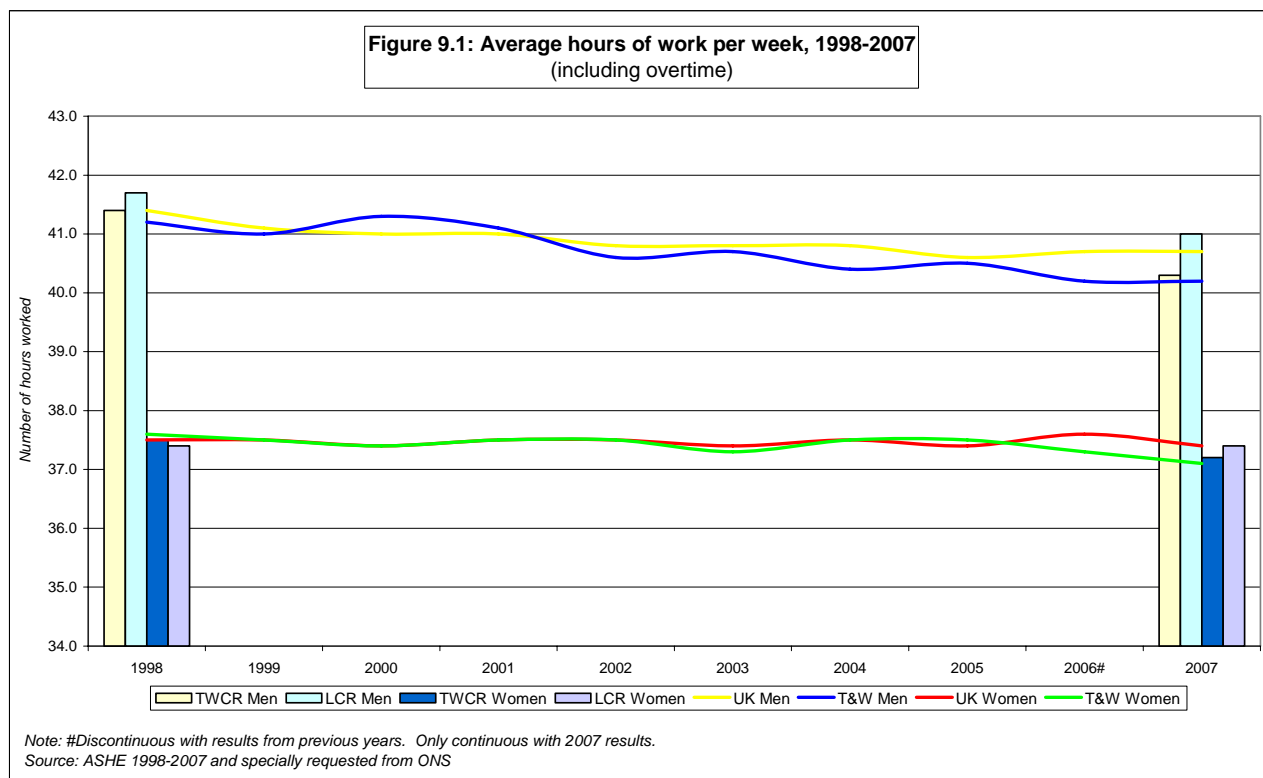
* Including overtime

Source: Annual Survey of Hours and Earnings 1998 - 2007 (Tables 7.9a) and Specially Requested from ONS, with TWRI calculations.

[#]Consistent with 2005 methodology (revised)

#Consistent with 2007 methodology

Men’s hours of work have generally fallen since 1998 (Figure 9.1), whilst women’s have generally been static.



Men’s *overtime* fell -0.9 hours in all areas over the period 1998-2007, except West Yorkshire, where overtime fell -0.8 hours (Table 9.4). Women’s overtime has also fallen, but by a relatively small -0.2 hours in TWCR, TW and West Yorkshire, and by just -0.1 in LCR and the UK.

In 2006/07, men’s overtime hours rose 0.2 hours in TWCR and 0.1 hours in TW (LCR up 0.1 hours, WY up 0.2 hours). In the UK, average overtime hours *fell* by 0.1 hours.

In TWCR and TW in 2007, women worked on average 3.1 hours less than men, of which, around two-fifths [1.3 hours] could be accounted for by shorter overtime (Tables 9.3 and 9.4).

Table 9.4: Average overtime hours per week

	Men					Women				
	TWCR	Tyne & Wear	LCR	W. Yorks	UK	TWCR	Tyne & Wear	LCR	W. Yorks	UK
1998	2.9	2.9 ^a	3.1	3.0	2.8	0.9 ^b	0.9 ^b	0.8 ^a	0.9 ^a	0.8
1999		2.7 ^a		2.7	2.6		0.7 ^b		0.9 ^a	0.8
2000		3.0 ^a		2.8	2.4		0.8 ^b		0.7 ^a	0.7
2001		2.8 ^a		2.5	2.4		0.8 ^b		0.8 ^a	0.8
2002		2.5 ^a		2.4	2.3		0.9 ^b		0.8 ^a	0.7
2003		2.3 ^a		2.2 ^a	2.2		0.8 ^b		0.7 ^b	0.7
2004		2.3 ^a		2.2 ^a	2.1		0.9 ^b		0.7 ^a	0.7
2005		2.2 ^a		2.0 ^a	2.0		0.7 ^b		0.6 ^a	0.7
2006 [~]		1.9 ^a		2.0 ^a	2.0		x		0.7 ^a	0.7
2006 [#]	1.8 ^a	1.9 ^a	2.1	2.0 ^a	2.0	x	x	0.7 ^a	0.7 ^a	0.7
2007	2.0 ^a	2.0 ^a	2.2 ^a	2.2 ^a	1.9	0.7 ^b	0.7 ^b	0.7 ^a	0.7 ^b	0.7
2006 [#] – 2007	0.2	0.1	0.1	0.2	-0.1	-	-	0.0	0.0	0.0
1998 – 2007	-0.9	-0.9	-0.9	-0.8	-0.9	-0.2	-0.2	-0.1	-0.2	-0.1

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

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

x - unreliable

Source: Annual Survey of Hours and Earnings 1998 – 2007 (Tables 7.11a) and Specially Requested from ONS, with TWRI calculations

[~]Consistent with 2005 methodology (revised)

[#]Consistent with 2007 methodology

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				
	TWCR	Tyne & Wear	LCR	W. Yorks	UK	TWCR	Tyne & Wear	LCR	W. Yorks	UK
1998	5.8 ^a	5.5 ^a	6.6	6.5 ^a	6.3	3.3 ^b	3.0 ^b	3.0 ^b	3.0 ^b	3.1
1999		6.0 ^a		6.3 ^a	6.0		2.3 ^b		3.0 ^b	3.0
2000		6.0 ^b		6.0 ^a	5.6		x		2.3 ^b	2.6
2001		5.1 ^b		5.9 ^a	6.0		2.7 ^b		3.1 ^b	3.0
2002		5.1 ^a		6.0 ^a	5.7		3.2 ^b		2.9 ^b	3.0
2003		4.5 ^b		5.3 ^a	5.3		2.5 ^b		3.0 ^b	2.5
2004		5.0 ^b		5.5 ^a	5.5		2.9 ^b		2.8 ^b	2.9
2005		4.5 ^a		5.4 ^a	5.0		x		2.3 ^b	2.7
2006 [~]		4.5 ^a		5.5 ^a	5.0		2.4 ^b		2.8 ^b	2.8
2006 [#]	4.6 ^a	4.5 ^a	5.3 ^a	5.3 ^a	5.0	2.7 ^b	2.5 ^b	2.8 ^b	2.8 ^b	2.8
2007	4.5 ^a	4.6 ^a	5.5 ^a	5.5 ^a	5.0	3.0 ^b	3.1 ^b	2.6 ^b	2.5 ^b	2.6
2006 [#] – 2007	-0.1	0.1	0.2	0.2	0.0	0.3	0.6	-0.2	-0.3	-0.2
1998 – 2007	-1.3	-0.9	-1.1	-1.0	-1.3	-0.3	0.1	-0.4	-0.5	-0.5

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

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

x - unreliable

* **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 – 2007 (Tables 7.11a) and Specially Requested from ONS, with TWRI calculations

[~]Consistent with 2005 methodology (revised)

[#]Consistent with 2007 methodology

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). Also, a rising proportion of earners now pay top rate tax (at 40%¹⁵). More recently, the 10% tax rate for lower earners was abolished in April 2008, placing more than five million workers in the 20% tax bracket.

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 2007, real earnings growth has been weak, at around 8% in Tyne & Wear and 11% in West Yorkshire compared to about 30% real growth of the UK economy in the same period. Average real earnings for both men and women in TWCR have risen, men's by 5.7% and women's by almost three times this, at 16.4% (Figure 10.1). In Tyne & Wear, the full time-series data shows the fluctuations over the 9 year period.

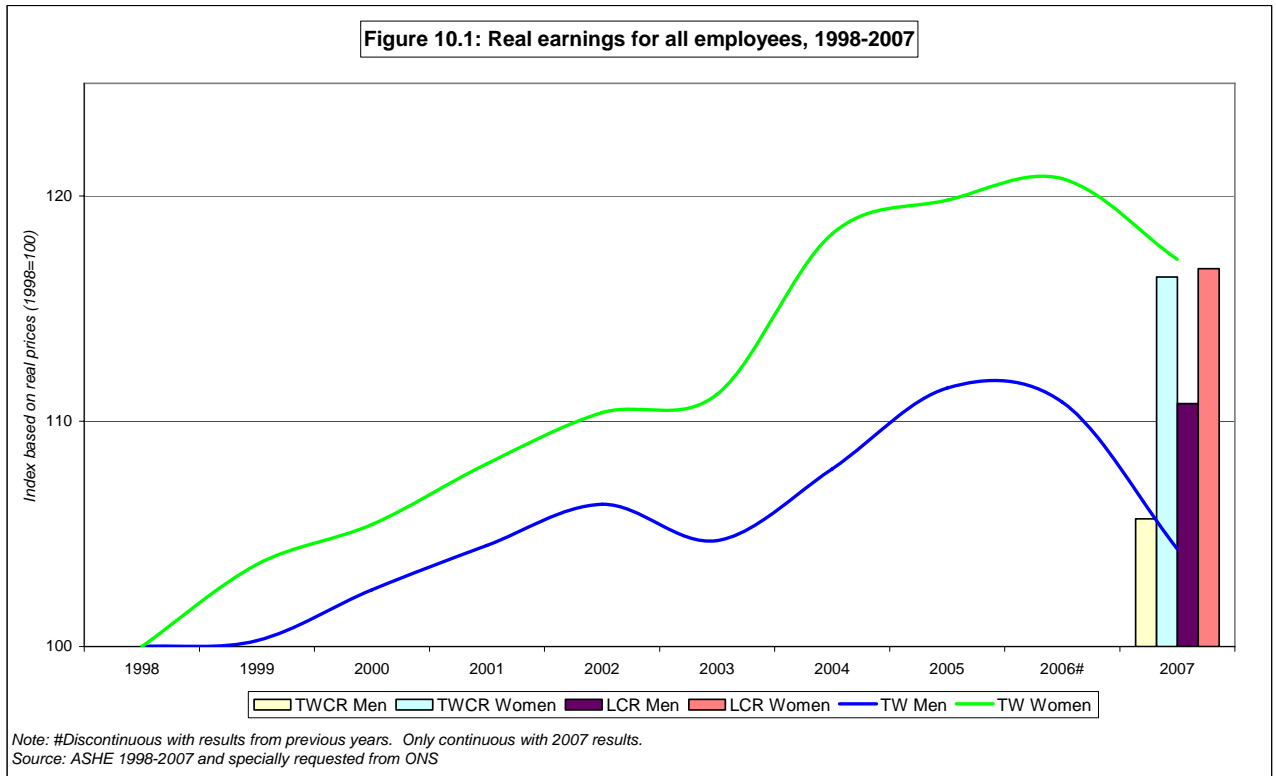
- For men, overall average real earnings rose by 4.3%, but there were falls in 2003 (-1.6pp), 2006 (-0.6pp) and a much more significant fall in 2007 (-6.6pp).
- For women, average real earnings rose steadily to 2006 (+20.8%) before falling somewhat in 2007 (by 3.6pp), giving a rise over the period of 17.2%.
- Average real earnings for men in LCR rose by almost double that in TWCR, at 10.8%.
- The rise in women's average real earnings in LCR was more in line with that in TWCR, at 16.8%.

In real terms, the *average annual compound* rises in TWCR were 0.6% for men and 1.7% for women¹⁶. In Tyne & Wear, the rises were 0.5% for men and 1.8% for women. The annual average compound rise for men in LCR was 1.1% and for women it was 1.7%.

The growth rate of real earnings (the rise in living standards) has halved from around 2%pa in 1980-95 in T&W to under 1%pa from 1998-2007.

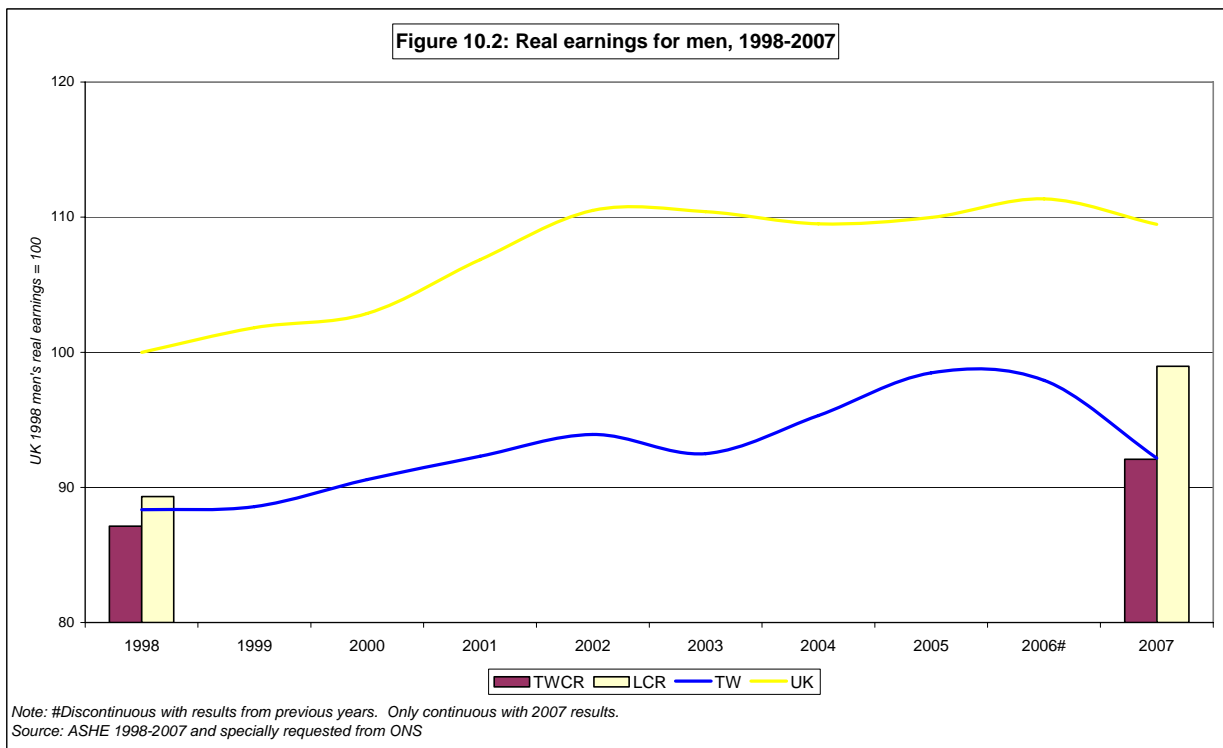
¹⁵ On incomes above about £34,000 p.a in 2007.

¹⁶ The formula for calculating the annual average compound rise [in MS Excel] is $=((x/y)^{(1/z)})-1$. x is real earnings in 2007 (104.3 for TW men in Fig 10.1), y is real earnings in 1998 (100 for TW men in Fig 10.1) and z is the number of years in the time series (9 years in Fig 10.1).

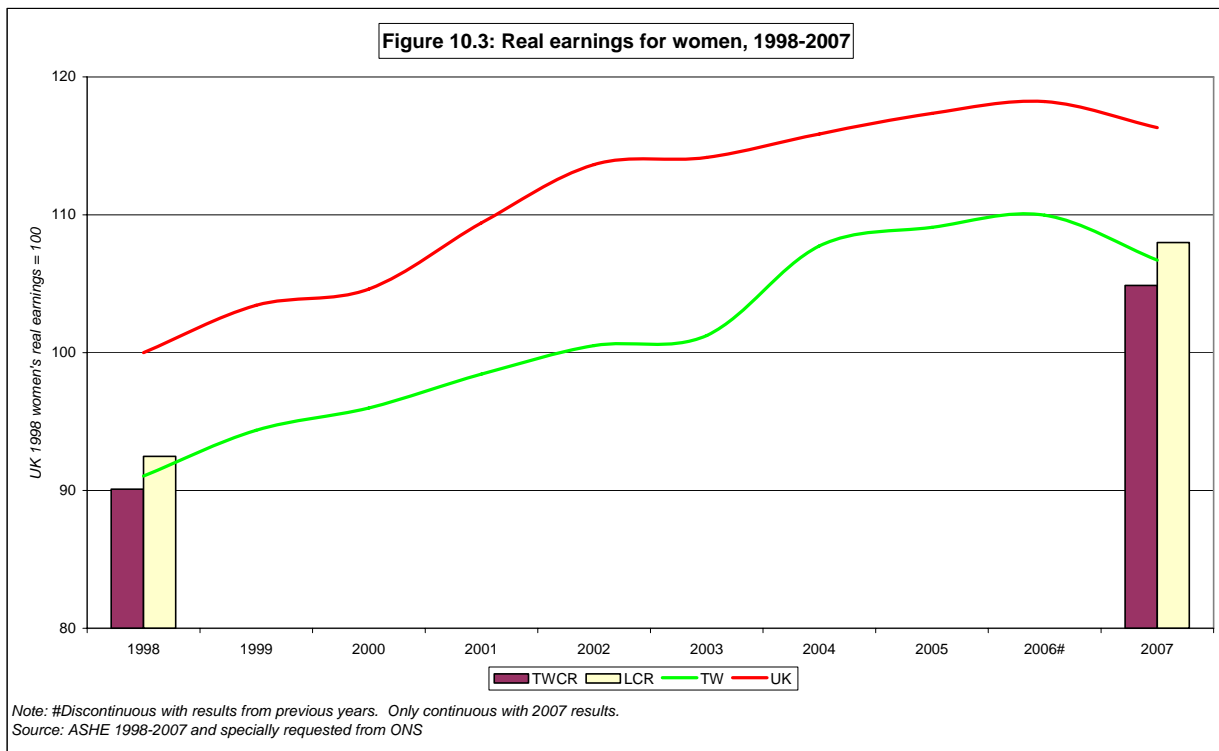


Between April 2006 and April 2007, the RPI rose 4.5%. This implies that in 2007, men’s earnings in Tyne & Wear reportedly fell [a huge] 5.9% in real terms. In the UK, real earnings fell 1.7% (Figure 10.2). Women’s real earnings fell in 2007, down 3.0% in Tyne & Wear and down 1.6% in the UK (Figure 10.3).

Since 1998, real earnings for men in Tyne & Wear have risen much slower (by 5.1pp) than in the UK [owing to falls in 2006 and 2007] (Figure 10.2), whereas women’s earnings have risen faster (by 0.9pp) than in the UK (Figure 10.3). Between 1998-2005, men’s real earnings in Tyne & Wear had risen by 11.5%, (UK 10.0%), but then fell slightly (-0.6%) in 2006, followed by a further [big] fall of -5.9% in 2007.



From 1998 to 2006, women’s real earnings rose by 20.8% in Tyne & Wear, whilst in the UK they rose 18.2%. In TWCR, real earnings (to 2007) rose by 5.7% for men and 16.4% for women.



[Note: Between 1980 and 1989, in Tyne & Wear men’s real earnings rose about 18% and women’s about 22%.]

11 EARNINGS OF RESIDENTS

This section presents information on average and median weekly earnings in Tyne & Wear City Region and 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. Comparisons are, where appropriate, made between TWCR and LCR, Tyne & Wear and West Yorkshire, as well as to the North East and United Kingdom¹⁷. Findings from 2007 indicate that earnings of residents are significantly lower than at workplaces in Tyne & Wear, but less so in TWCR.

11.1 Average & Median Gross Weekly Earnings

In 2007, full-time employees resident in TWCR earned on average £471.60 per week while those residing in TW earned on average £453.10 per week. In Tyne & Wear, among resident employees average weekly earnings were a substantial £22.20 less than the workplace-based population (Tables 2.1 and 11.1).

In TWCR, average weekly earnings of residents were just £1 less than the workplace-based population. The minor difference in TWCR will be due to its much higher self-containment.

- Average weekly earnings of residents in TWCR are about £35pw lower than those in LCR (£506.30).
- Tyne & Wear residents' earnings are about £45pw (£2,310pa) below those in West Yorkshire (£497.50).
- Tyne & Wear residents' average earnings are £18.50 (£960pa) below TWCR residents. In contrast, West Yorkshire residents' average earnings are just £8.80 (£460pa) below LCR residents'. In addition, the difference between weekly earnings in the CRs and their smaller sub-areas are greatest in TW.

Table 11.1: Residents' average and median full-time earnings (2007)

	Men & Women				Men				Women			
	Average		Median		Average		Median		Average		Median	
	£'s per week	Pence/hr (excludes overtime)	£'s per week	Pence/hr (excludes overtime)	£'s per week	Pence/hr (excludes overtime)	£'s per week	Pence/hr (excludes overtime)	£'s per week	Pence/hr (excludes overtime)	£'s per week	Pence/hr (excludes overtime)
TWCR	471.60	1204	393.90	1006	509.40	1262	432.20	1066	413.20	1108	344.70	922
Tyne & Wear	453.10	1152	387.80	971	483.20	1192	421.60	1029	407.00	1090	344.70	906
North East	471.50	1193	400.50	1007	509.80	1248	439.20	1056	409.90	1100	344.90	922
LCR	506.30	1281	426.20	1063	554.50	1354	468.10	1122	431.80	1157	365.50	974
W. Yorks	497.50	1261	421.60	1047	542.40	1329	461.10	1095	429.60	1153	364.50	966
UK	549.80	1400	456.70	1134	606.10	1498	498.30	1196	462.80	1240	394.00	1046
TWCR % of UK	85.8%	86.0%	86.2%	88.7%	84.0%	84.2%	86.7%	89.1%	89.3%	89.4%	87.5%	88.1%
T&W % of UK	82.4%	82.3%	84.9%	85.6%	79.7%	79.6%	84.6%	86.0%	87.9%	87.9%	87.5%	86.6%
LCR % of UK	92.1%	91.5%	93.3%	93.7%	91.5%	90.4%	93.9%	93.8%	93.3%	93.3%	92.8%	93.1%
WY % of UK	90.5%	90.1%	92.3%	92.3%	89.5%	88.7%	92.5%	91.6%	92.8%	93.0%	92.5%	92.4%

Source: Annual Survey of Hours and Earnings 2007 (Tables 8.1a and 8.6a) and Specially Requested from ONS, with TWRI calculations

Logically, residents' average earnings are lower than for workplaces only where net in-commuters have higher earnings than residents.

In Tyne & Wear, earnings of residents are around 4-5% below those for employees at workplaces in the same area. In contrast, in TWCR, the difference is much smaller, at around 1% below workplace employees (Table 11.2).

The lower earnings of residents in both TW and West Yorkshire (than of employees at workplaces) therefore appear to be due to higher average earnings of net in-commuters. West Yorkshire has a marginally higher

¹⁷ Great Britain has to be used for 'Percentage difference between resident and workplace-based earnings' (T 11.2).

number of [gross] in-commuters (84,689) than Tyne & Wear (82,195) (2001 Census © Crown Copyright SWS Table W107).

The difference between residents' earnings and workplace earnings is very small in the North East (up to just -0.8%) [believed to be mainly due to in-commuting from North Yorkshire]. It is marginal in Great Britain (up to +0.2%) [presumably due to higher earnings abroad of GB residents than the reverse – Ed].

Table 11.2: Percentage difference between resident and workplace-based earnings (2007)

Residents' earnings minus workplace [#]	MEN & WOMEN				MEN				WOMEN			
	Average		Median		Average		Median		Average		Median	
	Pence/hr		Pence/hr		Pence/hr		Pence/hr		Pence/hr		Pence/hr	
	£'s per week	(excludes o/time)	£'s per week	(excludes o/time)	£'s per week	(excludes o/time)	£'s per week	(excludes o/time)	£'s per week	(excludes o/time)	£'s per week	(excludes o/time)
TWCR	-0.2	-0.2	-0.6	-0.2	-0.1	0.2	-0.1	1.3	-1.0	-1.3	-1.7	-2.3
Tyne & Wear	-4.7	-5.3	-2.9	-4.3	-5.3	-5.5	-2.4	-2.8	-4.1	-4.8	-3.0	-4.4
North East	-0.6	-0.7	-0.6	-0.7	-0.8	-0.8	-0.2	-0.6	-0.8	-1.0	-1.5	-1.5
LCR	1.1	1.1	0.2	1.4	1.2	1.0	0.3	2.4	0.5	0.5	-0.5	0.6
W. Yorkshire	-0.4	-0.6	-0.7	-0.3	-0.7	-0.7	-0.4	-0.2	-0.4	-0.5	-1.9	-0.8
Great Britain*	0.2	0.1	0.1	0.1	0.2	0.3	0.1	0.2	0.0	0.1	0.0	0.0

* Note GB used here, not UK

Note: #Negative difference means residents earn less than workplace earnings

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a, 7.6a, 8.1a and 8.6a) and Specially Requested from ONS, with TWRI calculations.

11.2 Comparisons with Other Counties

In the metropolitan counties, but not LCR, residence-based earnings are generally lower than workplace-based earnings (Table 11.3). These differences are greater in London than in the other metropolitan counties (in London men & women's average earnings of residents are £42.10 less than workplace-based estimates).

Table 11.3: Weekly earnings of residents and workplace employees in Metropolitan Counties (£)* (2007)

	Men & Women				Men				Women					
	Average		Median		Average		Median		Average		Median			
	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place		
London	689.10	731.20	553.30	580.90	London	767.50	823.30	596.00	643.50	London	587.80	600.40	506.00	518.50
G. Manchester	504.70	526.40	429.70	439.90	G. Manchester	554.50	582.80	469.60	483.70	Merseyside	433.90	430.40	383.30	385.50
Merseyside	498.80	504.00	425.70	426.60	Merseyside	546.30	563.30	468.90	473.30	W. Yorkshire	429.60	431.30	364.50	371.70
W. Yorkshire	497.50	499.70	421.60	424.60	W. Yorkshire	542.40	546.40	461.10	462.80	G. Manchester	429.40	442.20	373.10	378.70
W. Midlands	482.50	515.00	420.00	440.10	S. Yorkshire	527.30	533.40	460.00	460.00	W. Midlands	416.30	431.80	365.40	375.60
S. Yorkshire	480.30	484.10	416.60	419.40	W. Midlands	525.80	568.00	454.30	479.10	TWCR	413.20	417.30	344.70	350.80
Tyne & Wear	453.10	475.30	387.80	399.40	Tyne & Wear	483.20	510.30	421.60	432.00	S. Yorkshire	402.50	407.30	344.70	344.70
TWCR	471.60	472.60	393.90	396.40	TWCR	509.40	509.80	432.20	432.60	Tyne & Wear	407.00	424.60	344.70	355.50
LCR	506.30	501.00	426.20	425.40	LCR	554.50	547.90	468.10	466.50	LCR	431.80	429.70	365.50	367.40

* Ranked on residents' average pay

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a and 8.1a) and Specially Requested from ONS

In the North East, earnings are higher at workplaces than for residents in TW (by £22.20pw), Stockton-on-Tees (by £7.00pw), Darlington (by £8.90pw), Middlesbrough (by £7.50pw) and Redcar & Cleveland (by a huge £43.80pw) (Table 11.4). 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 three areas, which gain higher earnings from net out-commuting; particularly Northumberland (by a massive £54.90pw, £2,850pa). For

Northumberland men the gap is £63pw (£3,300pa) and for women £52pw (£2,700pa). In Co. Durham residents' earnings are much lower (than in Northumberland).

Tyne & Wear residents have the 2nd-lowest earnings, £21pw below Co. Durham (£1,100pa) and £63pw below Northumberland (£3,300pa). Workplace earnings show the opposite pattern. This reflects the 'residential spatial sorting' in and around Tyne & Wear in which the higher-paid workers are living outside the conurbation. In LCR, by contrast, more of the high-paid earners live in West Yorkshire.

Table 11.4: Weekly earnings of residents and workplace employees in Unitary Authorities (£)* (2007)

	Men & Women				Men				Women					
	Average		Median		Average		Median		Average		Median			
	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place	Resid.	Work-place		
Hartlepool	527.40 ^a	479.60 ^a	440.60 ^a	388.50 ^b	Hartlepool	587.80 ^a	541.90 ^a	508.00 ^a	458.30 ^b	Northumberland	442.90 ^a	390.50	336.70 ^a	330.60 ^a
Northumberland	516.10	461.20	421.80 ^a	384.50 ^a	Northumberland	566.20	503.00 ^a	460.40 ^a	429.40 ^a	Darlington	430.20 ^a	424.40 ^a	373.10 ^b	377.50 ^a
Stockton-on-Tees	494.30	501.30	453.90 ^a	416.30 ^a	Stockton-on-Tees	536.50	557.90 ^a	487.90 ^a	468.70 ^a	Stockton-on-Tees	423.50	395.90 ^a	368.20 ^b	358.10 ^a
Darlington	482.00	490.90	404.80 ^a	432.20 ^a	Durham	515.30	494.60	430.20	421.60	Tyne & Wear	407.00	424.60	344.70	355.50
Durham	474.30	460.70	400.10	387.80	Darlington	513.20 ^a	534.10	460.30 ^a	497.10 ^a	Durham	405.50	404.20	352.80	340.30 ^a
Middlesbrough	453.70 ^a	461.20	387.60 ^a	403.40 ^a	Middlesbrough	497.30 ^a	494.90 ^a	406.70 ^a	419.90 ^a	Hartlepool	403.90 ^a	381.60 ^a	353.50 ^b	351.50 ^a
Tyne & Wear	453.10	475.30	387.80	399.40	Redcar & Cleveland	496.90	549.50	478.90 ^a	517.50 ^a	Middlesbrough	374.90 ^a	411.30 ^a	320.20 ^b	325.40 ^b
Redcar & Cleveland	448.70	492.50	405.60 ^a	479.10 ^a	Tyne & Wear	483.20	510.30	421.60	432.00	Redcar & Cleveland	364.10 ^a	366.80 ^a	309.30 ^a	316.90 ^b

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

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

* Ranked on residents' average pay

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a and 8.1a)

11.3 Women's Earnings Compared to Men's

Using ASHE 2007, it is possible to monitor the differences between men's and women's earnings of residents as well as for work-places.

In all areas except for TWCR, women's average hourly earnings (as percentages of men's earnings) are very similar for residents as for workplaces (Table 11.5). In TWCR, women's average hourly earnings for residents (87.8%) are 1.4pp below those for workplaces (89.2%) [presumably reflecting higher-paid resident men in TWCR]. This is double the difference between average earnings in TW (91.4% for residents, 90.7% for workplaces).

Despite the greater difference between resident and workplace employees, the ratios of women's earnings compared to men's in TWCR are very similar to those in areas outside TW (around 86-89%). This suggests that it is women in TW who are unusual in having earnings closer to men's (91%) [This may be a reflection of men's weak earnings in TW –Ed].

Table 11.5: Women's hourly earnings compared to men's, by workplace and by residence (2007)

	% of men's earnings			
	By Workplace		By Residence	
	Average	Median	Average	Median
Tyne & Wear City Region	89.2%	89.7%	87.8%	86.5%
Tyne & Wear	90.7%	89.5%	91.4%	88.0%
North East	88.3%	88.1%	88.1%	87.3%
Leeds City Region	85.9%	88.3%	85.5%	86.8%
West Yorkshire	86.6%	88.8%	86.8%	88.2%
UK	82.8%	87.5%	82.8%	87.5%

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.6a and 8.6a) and Specially Requested from ONS

11.4 Hourly Earnings & Hours of Work

In TWCR, TW, and all comparator areas, both men's and women's hours worked per week are either equal for both resident and workplace employees, or higher for resident employees than for workplace employees (with the exception of women's hours per week in LCR). In all areas, men's and women's average overtime hours per week were largely the same for resident and workplace employees.

In all areas, men work more hours per week and more overtime than women. This is most evident in West Yorkshire and LCR, where men work on average 3.6 hours per week and 1.5 hours overtime more than women. In TW and TWCR men work on average 3.1 hours per week and 1.3 hours overtime more than women.

Table 11.6: Hours worked per week and overtime, by workplace and by residence* (2007)

			By Workplace		By Residence	
			Hours/week	Overtime	Hours/week	Overtime
TWCR	Average	Men	40.3	2.0 ^a	40.4	2.1 ^a
		Women	37.2	0.7 ^b	37.3	0.7 ^b
	Median*	Men	39.0	4.5 ^a	39.0	4.8 ^b
		Women	37.0	3.0 ^b	37.0	3.0 ^b
Tyne & Wear	Average	Men	40.2	2.0 ^a	40.2	2.0 ^a
		Women	37.1	0.7 ^b	37.3	0.7 ^b
	Median*	Men	38.8	4.6 ^a	38.9	4.9 ^a
		Women	37.0	3.1 ^b	37.0	3.2 ^b
LCR	Average	Men	41.0	2.2 ^a	41.0	2.2 ^a
		Women	37.4	0.7 ^a	37.3	0.7 ^a
	Median*	Men	39.1	5.5 ^a	39.1	5.3 ^a
		Women	37.0	2.6 ^b	37.0	2.7 ^b
W. Yorkshire	Average	Men	40.9	2.2 ^a	40.9	2.2 ^a
		Women	37.3	0.7 ^b	37.3	0.7 ^b
	Median*	Men	39.0	5.5 ^a	39.0	5.2 ^a
		Women	37.0	2.5 ^b	37.0	2.5 ^b
UK	Average	Men	40.7	1.9	40.7	1.9
		Women	37.4	0.7	37.4	0.7
	Median*	Men	39.0	5.0	39.0	5.0
		Women	37.0	2.6	37.0	2.6

^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 2007 (Tables 7.9a, 8.9a, 7.11a and 8.11a) and Specially Requested from ONS

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.

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 LFS¹⁸. 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, and this difference is greater in the UK (8.5-11%) than in the North East (3-7%) (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 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 respectively¹⁹.

Table A1.1: Weekly full-time earnings from Labour Force Survey and ASHE, 2007

	UK			NE		
	All	Men	Women	All	Men	Women
LFS	£495.00	£541.00	£423.00	£455.00	£498.00	£386.00
ASHE	£549.80	£606.10	£462.80	£474.50	£513.70	£413.20
% difference (as % of ASHE)	-10.0%	-10.7%	-8.6%	-4.1%	-3.1%	-6.6%

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a) and Labour Force Survey (Table 35, Q3 2007 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. Total remuneration of all employees in the UK (by employers) can be best determined using the National Accounts wages and salaries component. Wages & salaries estimates also include non-cash earnings, for example wages in kind.

¹⁸ As of August 2005 the Labour Force Survey has been included in the new Annual Population Survey. The APS supercedes the Local Area LFS and the quarterly (four quarter averages) LFS.

¹⁹ Please refer to: Daffin, C. 2004. 'An analysis of historical ASHE data 1998-2003', in Labour Market Trends, Vol. 112 (12), pp493-504.

APPENDIX 2: Earnings by Occupation

Table A2.1: Gross weekly average earnings by Occupational Group (SOC 2000) (£) (2007)

		Managers & senior officials	Professional Occupations	Associate Professional & Technical	Admin & Secretarial Occupations	Skilled Trades Occupations	Personal Service Occupations	Sales & Customer Service Occupations	Process, Plant & Machinery Occupations	Elementary Occupations
Tyne & Wear City Region	Men	788.40 ^a	700.30	544.90	371.40	459.80	334.10	310.80	398.30	342.70
	Women	589.10	634.20	469.30	332.60	275.40 ^a	302.70	284.00	310.10 ^a	285.80
Tyne & Wear Region	Men	771.50 ^a	706.70	539.10	369.70	459.90	329.60	299.70	399.00	349.60
	Women	605.20 ^a	643.20	464.00	336.30	..	313.90	283.50	306.10 ^a	274.10 ^a
Rest of City Region	Men	828.80 ^b	674.80 ^a	561.60	383.70 ^a	459.50 ^a	345.80 ^a	338.90 ^a	397.20	328.70
	Women	534.50 ^b	607.70	493.30 ^a	320.80	..	278.80	286.60 ^a	315.40 ^a	302.90 ^a
Durham 4	Men	769.60 ^b	741.40 ^a	577.90	362.90 ^a	472.00 ^a	358.30 ^b	361.40 ^a	367.50 ^a	325.80
	Women	589.20 ^b	586.30	503.50 ^a	312.80	..	269.90 ^a	299.80 ^a	323.20 ^a	314.50 ^a
Northumberland 4	Men	925.10 ^b	528.30 ^a	532.50 ^a	471.70 ^b	446.00 ^a	299.50 ^b	274.70 ^a	463.90 ^a	334.00 ^a
	Women	441.10 ^b	642.60 ^a	473.40 ^a	342.60 ^a	:	289.20 ^a	246.80 ^b	..	283.30 ^a
North East	Men	773.60	715.80	538.50	366.90	457.50	323.30	299.60	425.80	346.30
	Women	557.90	632.20	477.30	331.70	277.4 ^a	296.20	280.40	304.10	283.10
Leeds City Region	Men	790.50	738.70	606.60 ^a	394.90	461.20	318.00	307.50	435.40	340.90
	Women	557.20	649.30	480.60	338.10	333.80 ^a	299.40	264.60	297.80	276.30
West Yorkshire	Men	796.40	738.30	617.60 ^a	401.10	465.90	315.90	308.30	418.10	338.60
	Women	576.50	655.30	483.50	337.70	336.00 ^a	300.30	268.40	288.10	277.20
Rest of Leeds City Region	Men	773.80 ^a	739.90 ^a	570.00	372.10 ^a	447.40	326.90 ^b	303.50 ^a	488.50 ^a	349.10
	Women	579.40 ^a	621.20 ^a	470.40	339.40	326.70	294.90 ^a	247.10	320.70 ^a	273.50
UK	Men	910.20	791.30	618.80	416.30	470.00	370.10	329.60	443.00	354.00
	Women	648.50	668.50	506.40	364.50	334.00	311.40	289.30	313.80	276.70

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

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

.. Disclosive

: Not applicable

Source: Annual Survey of Hours and Earnings 2007 (Table 3.1a) and Specially Requested from ONS.

Table A2.2: Gross annual average earnings by Occupational Group (SOC 2000) (£) (2007)

		Managers & senior officials	Professional Occupations	Associate Professional & Technical	Admin & Secretarial Occupations	Skilled Trades Occupations	Personal Service Occupations	Sales & Customer Service Occupations	Process, Plant & Machinery Occupations	Elementary Occupations
Tyne & Wear City Region	Men	42,700 ^a	36,251	28,997	18,594	23,256	17,062	15,340 ^a	20,698	16,901
	Women	31,000 ^a	31,372	24,530	16,430	15,073 ^b	15,425 ^a	13,988 ^a	14,223 ^a	14,183 ^a
Tyne & Wear Region	Men	41,259 ^a	36,877	28,499 ^a	18,475	23,401	16,516	15,337 ^a	21,508	17,255
	Women	31,989 ^a	31,730	24,207 ^a	16,556	13,600 ^a	15,979 ^b	13,998 ^b	13,789 ^a	14,078 ^a
Rest of City Region	Men	45,806 ^b	33,902 ^a	30,531 ^a	19,338 ^a	22,757 ^a	18,478 ^b	15,350 ^b	19,410 ^a	16,186 ^a
	Women	27,210 ^b	30,263	26,164 ^a	16,048 ^a	..	14,036 ^a	13,933 ^a	14,744	14,405 ^a
Durham 4	Men	x	36,584 ^a	31,459 ^a	17,848 ^a	23,032 ^a	19,403 ^b	16,967 ^b	17,802 ^a	15,590 ^a
	Women	x	30,134 ^a	27,255 ^a	15,689 ^a	..	13,471 ^a	13,765 ^a	14,898	15,532 ^a
Northumberland 4	Men	52,375 ^b	27,829 ^b	28,897 ^a	27,064 ^b	22,392 ^b	15,573 ^b	9,652 ^b	23,115 ^a	17,326 ^a
	Women	22,215 ^b	30,500 ^a	24,118 ^b	17,004 ^a	:	14,690 ^a	x	..	11,805 ^a
North East	Men	40,827 ^a	36,080	28,436	18,577	22,893	17,066	14,941	21,875	17,228
	Women	29,219 ^a	31,447	24,596	16,560	13,498 ^a	14,965 ^a	14,165 ^a	14,552	14,209 ^a
Leeds City Region	Men	45,143	37,942	31,226	20,946	23,865	16,946 ^a	16,592	21,587	17,522
	Women	30,167 ^a	33,593	25,085	17,338	18,406 ^a	15,157 ^a	13,945	15,475 ^a	13,880
West Yorkshire	Men	44,290	37,535	31,215	21,196	24,063	16,650 ^a	16,647	21,292	17,389
	Women	29,647 ^a	33,934	25,105	17,298	18,734 ^b	15,610 ^a	14,189	14,228	14,279 ^a
Rest of Leeds City Region	Men	47,511 ^a	39,395 ^a	31,263 ^a	20,060 ^a	23,245	18,061 ^b	16,358 ^a	22,628 ^a	18,060
	Women	31,976 ^b	31,931 ^a	25,017	17,490	17,600 ^a	13,078 ^a	12,945 ^a	18,721 ^a	12,923 ^a
UK	Men	55,813	41,998	33,935	21,870	23,996	19,208	17,252	22,544	18,314
	Women	35,052	34,014	26,468	18,690	16,535	15,604	14,684	15,805	14,088

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

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

x Unreliable

.. Disclosive : Not applicable

Source: Annual Survey of Hours and Earnings 2007 (Table 3.7a) and Specially Requested from ONS.

APPENDIX 3: 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 (x) have errors too large to be statistically sound.

Note: these data are for employees at *workplaces* in these small areas.

Table A3.1: Average earnings by District (All FT employees) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (including overtime)	Overtime (hr)
Gateshead	476.40	247.50	x	11.95	39.6	2.0 ^b
Newcastle	492.50	248.20	820.60 ^b	12.87	38.2	0.9 ^b
North Tyneside	431.70	244.60	x	11.00	39.2	1.5 ^b
South Tyneside	470.50 ^a	226.30 ^a	x	12.31 ^a	38.2	x
Sunderland	474.80	258.90	x	11.89	39.6	1.7 ^b
Darlington UA	490.90	263.70 ^a	x	12.19	40.1	1.7 ^b
Hartlepool UA	479.60 ^a	211.60 ^a	x	12.05 ^a	39.9	x
Middlesbrough UA	461.20	232.80	x	11.80	39.0	1.4 ^b
Redcar & Clevel. UA	492.50	237.70 ^a	x	12.08	40.4	2.3 ^b
Stockton-on-Tees UA	501.30	239.10	x	12.38	40.3	2.2 ^b
Chester-le-Street	447.10 ^a	x	x	10.32 ^a	42.9	x
Derwentside	437.30	225.40 ^a	x	10.46 ^a	41.9	x
Durham	482.30 ^a	246.30	x	12.53 ^a	38.4	x
Easington	433.20	250.90 ^a	x	10.73 ^a	40.0	x
Sedgefield	463.10 ^a	233.10 ^a	x	11.51 ^a	40.0	x
Teesdale	392.20 ^a	x	x	9.92 ^a	39.6	x
Wear Valley	504.60 ^a	x	x	12.66	39.9	x
Alnwick	439.70 ^a	x	x	11.43 ^a	38.1	x
Berwick	352.80 ^a	x	x	8.57 ^a	40.5	x
Blyth Valley	470.80 ^a	242.90 ^a	x	12.17 ^a	38.6	x
Castle Morpeth	464.80 ^a	x	x	12.22 ^a	38.0	x
Tynedale	517.20 ^b	x	x	13.36 ^b	39.1	x
Wansbeck	459.50 ^a	x	x	11.45 ^a	40.2	x

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

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

x sample size too small for reliable estimate

Source: Annual Survey of Hours and Earnings 2007 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

Data are for employees at *workplaces* in the small area.

Table A3.2: Average earnings by District (Men) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (including overtime)	Overtime (hr)
Gateshead	517.50	268.40	x	12.45	41.2	2.8 ^b
Newcastle	539.20	274.80	x	13.70	39.3	1.2 ^b
North Tyneside	457.50	245.00	x	11.21	40.7	2.0 ^b
South Tyneside	494.30 ^a	228.50 ^a	x	12.60 ^a	39.1	x
Sunderland	503.10 ^a	269.30	x	12.23 ^a	40.7	2.3 ^b
Darlington UA	534.10	269.10 ^a	x	12.83	41.4	2.4 ^b
Hartlepool UA	541.90 ^a	x	x	13.03 ^a	41.8	x
Middlesbrough UA	494.90 ^a	245.10	x	12.28 ^a	40	x
Redcar & Clevel. UA	549.50	264.60 ^a	x	12.84 ^a	43	3.2 ^b
Stockton-on-Tees UA	557.90 ^a	263.60 ^a	x	13.30 ^a	41.8	3.0 ^b
Chester-le-Street	500.20 ^a	x	x	11.25 ^b	43.9	x
Derwentside	440.50 ^a	x	x	10.23 ^a	43.0	x
Durham	534.20 ^a	242.70 ^a	x	13.67 ^a	39.0	x
Easington	481.60 ^a	x	x	11.67 ^a	40.8	x
Sedgefield	483.80 ^a	259.80 ^a	x	11.81 ^a	40.7	x
Teesdale	408.40 ^b	x	x	9.83 ^b	41.7	x
Wear Valley	532.50 ^b	x	x	12.84 ^b	41.6	x
Alnwick	483.20 ^a	x	x	12.49 ^a	38.4	x
Berwick	328.00 ^a	x	x	7.33 ^a	43.7	x
Blyth Valley	546.30 ^b	x	x	13.50 ^b	40.4	x
Castle Morpeth	484.40 ^a	x	x	12.09 ^a	40.0	x
Tynedale	x	x	x	x	41.3	x
Wansbeck	527.60 ^a	x	x	12.93 ^a	40.5	x

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

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

x sample size too small for reliable estimate

Source: Annual Survey of Hours and Earnings 2006 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

Data are for employees at *workplaces* in the small area.

Table A3.3: Average earnings by District (Women) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (including overtime)	Overtime (hr)
Gateshead	410.90	233.90	x	11.09	37.0	x
Newcastle	441.00	230.00	x	11.91	37.1	x
North Tyneside	389.50 ^a	238.00 ^a	x	10.64 ^a	36.6	x
South Tyneside	422.30 ^a	x	x	11.71 ^a	36.2	x
Sunderland	426.40	235.10 ^a	x	11.29	37.6	x
Darlington UA	424.40 ^a	222.30 ^a	x	11.16 ^a	38.0	x
Hartlepool UA	381.60 ^a	x	x	10.38 ^a	36.8	x
Middlesbrough UA	411.30 ^a	225.70	x	11.07 ^a	37	x
Redcar & Clevel. UA	366.80 ^a	x	x	10.23 ^a	36	x
Stockton-on-Tees UA	395.90 ^a	219.50 ^a	x	10.56 ^a	37.5	x
Chester-le-Street	306.30 ^a	x	x	7.64 ^b	40.2 ^a	x
Derwentside	429.90 ^b	x	x	11.00 ^b	39.4	x
Durham	414.20	246.60 ^a	x	11.0	37.6	x
Easington	356.60 ^a	x	x	9.22 ^a	38.6	x
Sedgefield	404.90 ^b	x	x	10.64 ^b	37.9	x
Teesdale	370.60 ^b	x	x	10.05 ^b	36.7	x
Wear Valley	473.50 ^b	x	x	12.46 ^b	38.0	x
Alnwick	357.60 ^b	x	x	9.48 ^b	37.7 ^a	x
Berwick	396.30 ^b	x	x	x	34.8	x
Blyth Valley	350.80 ^a	x	x	9.84 ^a	35.7	x
Castle Morpeth	423.80 ^a	x	x	12.54 ^a	33.9	x
Tynedale	465.30 ^b	x	x	12.80 ^b	36.5	x
Wansbeck	327.10 ^b	x	x	8.36 ^b	39.7	x

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

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

x sample size too small for reliable estimate

Source: Annual Survey of Hours and Earnings 2006 (Tables 7.1a, 7.6a, 7.9a, and 7.11a) and Specially Requested from ONS.

Data are for employees at workplaces in the small area.

Table A3.4: Average earnings by Travel-to-Work Area (2007)

	Tyneside			Sunderland & Durham			Leeds		
	All	Men	Women	All	Men	Women	All	Men	Women
Gross weekly earnings (£)	474.20	511.60	421.40	470.50	508.00	411.80	516.30	567.70	444.30
% earning under £250	11.6 ^a	8.3 ^b	16.3 ^a	8.9 ^b	6.9 ^b	12.0 ^b			
10% earned under (£)	244.30	259.90	229.90	255.70	263.50	241.70	252.30	270.10	239.80
10% earned over (£)	771.30 ^a	833.70 ^b	703.30 ^b	733.80 ^a	x	x	823.8 ^a	929.7 ^b	716.1 ^b
Average hourly earnings (p) excl. o/time	12.16	12.67	11.41	11.89	12.52	10.88	13.16	14.05	11.86
Average weekly hours (including o/time)	38.9	40.3	37.0	39.3	40.3	37.8	39.4	40.6	37.6
Overtime (hr)	1.5 ^a	2.0 ^a	0.7 ^b	1.5 ^a	2.0 ^b	0.6 ^b	1.5 ^a	2.1 ^a	0.7 ^b

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

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

x sample size too small for reliable estimate

Source: Annual Survey of Hours and Earnings 2007 (Tables 11.1a, 11.6a, 11.9a, and 11.11a) and Specially Requested from ONS.

Data are for employees at workplaces in the small area.

Table A3.5: Average earnings by Tyne & Wear Parliamentary Constituency (All FT employees) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Blaydon	427.50	213.10 ^a	x	10.66	39.4	x
Gateshead E. & Washington W.	466.00 ^a	250.70	x	11.91 ^a	39.4	x
Houghton & Washington East	500.60	270.80 ^a	x	11.83	41.2	2.9 ^b
Jarrow	451.60 ^a	x	x	11.73 ^a	38.3	x
Newcastle Central	545.20 ^a	267.20 ^a	x	14.13 ^a	38.5	x
Newcastle East & Wallsend	396.60	237.00	x	10.19	38.7	x
Newcastle North	501.50 ^a	241.30 ^a	x	13.08 ^a	38.4	x
North Tyneside	439.40	248.00	x	11.32 ^a	38.6	x
South Shields	483.40 ^a	230.80 ^a	x	12.65 ^a	38.2	x
Sunderland North	460.60	245.60	x	11.87	38.7	x
Sunderland South	471.40 ^b	274.10 ^a	x	12.31 ^b	38.2	x
Tyne Bridge	503.30	252.90	x	13.00	38.7	1.3 ^b
Tynemouth	430.00 ^a	232.80 ^a	x	10.79 ^a	40.1	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

Data are for employees at workplaces in the small area.

Table A3.6: Average earnings by Tyne & Wear Parliamentary Constituency (Men) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Blaydon	463.20 ^a	227.10 ^b	x	11.06	40.8	x
Gateshead E. & Washington W.	478.40 ^a	x	x	11.62 ^a	41.7	x
Houghton & Washington East	532.90	300.10 ^a	x	12.19	42.4	3.6 ^b
Jarrow	458.10 ^b	x	x	11.52 ^b	39.5	x
Newcastle Central	602.80 ^a	285.40 ^b	x	15.29 ^a	39.3	x
Newcastle East & Wallsend (L)	436.30 ^a	x	x	10.86 ^a	39.8	x
Newcastle North	570.70 ^a	x	x	14.49 ^a	39.4	x
North Tyneside	468.60 ^a	257.90	x	11.55 ^a	40.1	x
South Shields	523.00 ^a	x	x	13.37 ^a	39.1	x
Sunderland North	466.60 ^a	248.40 ^a	x	11.95 ^a	39.1	x
Sunderland South	507.20 ^b	279.30 ^a	x	12.90 ^b	39.2	x
Tyne Bridge	549.50	276.00	x	13.72	40.0	1.8 ^b
Tynemouth	452.70 ^a	238.40 ^a	x	11.01 ^a	41.5	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

L means low earnings; under £450 and £11/hr

Data are for employees at workplaces in the small area.

Table A3.7: Average earnings by Tyne & Wear Parliamentary Constituency (Women) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Blaydon (L)	363.40 ^a	x	x	9.88 ^a	36.9	x
Gateshead E. & Washington W.	452.20 ^a	x	x	12.25 ^a	36.8	x
Houghton & Washington East (L)	397.10 ^a	x	x	10.62 ^b	37.4	x
Jarrow	434.20 ^b	x	x	12.34 ^b	35.3	x
Newcastle Central	482.70 ^a	x	x	12.82 ^a	37.7	x
Newcastle East & Wallsend (L)	346.30	5.90 ^a	x	9.30	37.2	x
Newcastle North	417.90 ^a	x	x	11.30 ^a	37.2	x
North Tyneside	397.90 ^a	6.63 ^a	x	10.95 ^a	36.4	x
South Shields	415.80 ^a	x	x	11.38 ^b	36.7	x
Sunderland North	453.90 ^a	x	x	11.78 ^a	38.2	x
Sunderland South	420.00 ^a	x	x	11.43 ^a	36.8	x
Tyne Bridge	445.90	6.50	x	12.05	37.0	x
Tynemouth (L)	378.60 ^a	x	x	10.26 ^b	36.9	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

L means low earnings: under £400pw and under £10.70/hr

Data are for employees at *workplaces* in the small area.

Table A3.8: Average earnings by Parliamentary Constituency in rest of NE (All FT employees) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Berwick-upon-Tweed	412.90 ^a	230.10 ^a	x	10.29 ^a	39.4	x
Bishop Auckland	481.50 ^a	262.00 ^a	x	12.17 ^a	39.6	x
Blyth Valley	470.80 ^a	242.90 ^a	x	12.17 ^a	38.6	x
City of Durham	482.30 ^a	246.30	x	12.53 ^a	38.4	x
Darlington	502.30	264.00 ^a	x	12.42	40.3	1.8 ^b
Easington	432.00	250.50 ^a	x	10.69 ^a	40.0	x
Hartlepool	479.60 ^a	211.60 ^a	x	12.05 ^a	39.9	x
Hexham	498.30 ^a	239.70 ^a	x	12.86 ^a	39.0	x
Middlesbrough	463.80	236.30	x	11.80	39.3	1.5 ^b
M'bro South and East Cleveland	459.90 ^a	x	x	11.88 ^a	38.5	x
North Durham	422.50 ^a	x	x	10.03 ^a	41.8	x
North West Durham	427.90 ^a	219.20 ^a	x	10.11 ^a	42.3	x
Redcar	496.30 ^a	236.90 ^a	x	12.12 ^a	40.6	x
Sedgefield	462.00 ^a	231.10 ^a	x	11.61 ^a	39.7	x
Stockton North	486.60 ^a	240.00 ^a	x	11.95 ^a	40.2	x
Stockton South	515.40 ^a	233.30 ^a	x	12.77 ^a	40.3	x
Wansbeck	454.50	x	x	11.77 ^a	38.8	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

Data are for employees at *workplaces* in the small area.

Table A3.9: Average earnings by Parliamentary Constituency in rest of NE (Men) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Berwick-upon-Tweed (L)	431.70 ^a	x	x	10.31 ^a	40.9	x
Bishop Auckland	479.20 ^a	x	x	11.67 ^b	41.0	x
Blyth Valley	546.30 ^b	x	x	13.50 ^b	40.4	x
City of Durham	534.20 ^a	242.70 ^a	x	13.67 ^a	39.0	x
Darlington	541.60	267.00 ^a	x	12.89	41.7	2.6 ^b
Easington	480.90 ^a	x	x	11.62 ^a	40.9	x
Hartlepool	541.90 ^a	x	x	13.03 ^a	41.8	x
Hexham	532.60 ^b	x	x	13.27 ^b	40.6	x
Middlesbrough	497.80 ^a	245.10	x	12.28 ^a	40.5	x
M'bro South and East Cleveland	480.70 ^a	x	x	11.87 ^a	40.2	x
North Durham	459.30 ^a	x	x	10.54 ^a	43.2	x
North West Durham (L)	442.90 ^a	x	x	10.18 ^a	43.4	x
Redcar	563.30 ^a	264.20 ^a	x	13.10 ^a	42.8	x
Sedgefield	503.30 ^a	264.30 ^a	x	12.47 ^a	40.3	x
Stockton North	536.70 ^a	259.20 ^a	x	12.75 ^a	41.6	x
Stockton South	577.60 ^a	263.40 ^a	x	13.80 ^a	41.9	x
Wansbeck	495.50 ^a	x	x	12.25 ^a	40.3	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

L means low earnings; under £450 and £11/hr

Data are for employees at workplaces in the small area.

Table A3.10: Average earnings by Parliamentary Constituency in rest of NE (Women) (2007)

	Gross weekly earnings (£)	10% earned under (£)	10% earned over (£)	Average hourly earnings (£) (excl. overtime)	Average weekly hours (incl. overtime)	Overtime (hr)
Berwick-upon-Tweed (L)	373.60 ^b	x	x	10.23 ^b	36.3	x
Bishop Auckland	484.40 ^a	x	x	12.83 ^a	37.8	x
Blyth Valley (L)	350.80 ^a	x	x	9.84 ^a	35.7	x
City of Durham	414.20	246.60 ^a	x	11.01	37.6	x
Darlington	438.50 ^a	235.10 ^a	x	11.61 ^a	37.9	x
Easington (L)	356.60 ^a	x	x	9.22 ^a	38.6	x
Hartlepool (L)	381.60 ^a	x	x	10.38 ^a	36.8	x
Hexham	438.20 ^a	x	x	12.10 ^b	36.4	x
Middlesbrough	412.70 ^a	232.70 ^a	x	11.06 ^a	37.4	x
M'bro South and East Cleveland	423.70 ^b	x	x	11.91 ^b	35.6	x
North Durham (L)	349.70 ^b	x	x	8.97 ^b	39.2	x
North West Durham	x	x	x	x	39.5	x
Redcar (L)	347.30 ^a	x	x	9.70 ^a	35.9	x
Sedgefield (L)	365.10 ^a	x	x	9.47 ^a	38.2	x
Stockton North (L)	397.90 ^a	x	x	10.50 ^a	37.7	x
Stockton South (L)	394.00 ^a	x	x	10.62 ^a	37.2	x
Wansbeck	393.90 ^a	x	x	10.99 ^a	36.5	x

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

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

x Unreliable

Source: Annual Survey of Hours and Earnings 2007 (Tables 9.1a, 9.6a, 9.9a, and 9.11a)

L means low earners: under £400pw and £10.70/hr

Data are for employees at workplaces in the small area.