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# Earnings in Scotland: 2018

Andrew Aiton

The Office for National Statistics released the Annual Survey of Hours and Earnings (ASHE) 2018 provisional results on 25 October 2018. This briefing provides an overview of earnings in Scotland.



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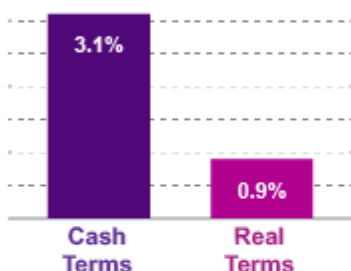
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# Executive Summary

## Earnings in Scotland - 2018

In April 2018 the median, or typical, gross salary in Scotland for all employees was £23,833

This is just below the UK wide figure of £24,006

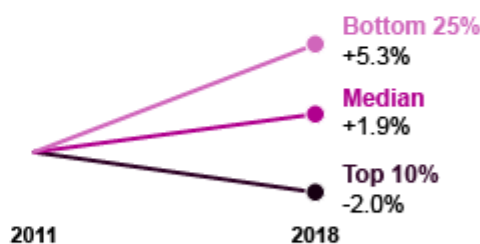


In Scotland, this is an increase of 3.1% on April 2017.

However, because of inflation this is a 0.9% increase in real terms.

Wages for the both the bottom 25% and median weekly wages have increased in real terms between 2011 and 2018

The top 10% of have seen a real terms decrease.



In all of Scotland's four largest cities the typical pay for residents is lower than the typical rate of pay than those who work there.

# About the Annual Survey of Hours and Earnings (ASHE) data

The data in this briefing are ASHE 2018 provisional results, published by the Office of National Statistics (ONS). The survey provides a range of earnings statistics for employees across the UK. ASHE provides data for hourly, weekly and annual income for all part-time and full-time employees. It does not cover the self-employed. ASHE is based on a one per cent sample of employee jobs taken from the Pay As You Earn (PAYE) records of Her Majesty Revenue and Customs (HMRC) in April 2018. <sup>1</sup>

Key points about the data:

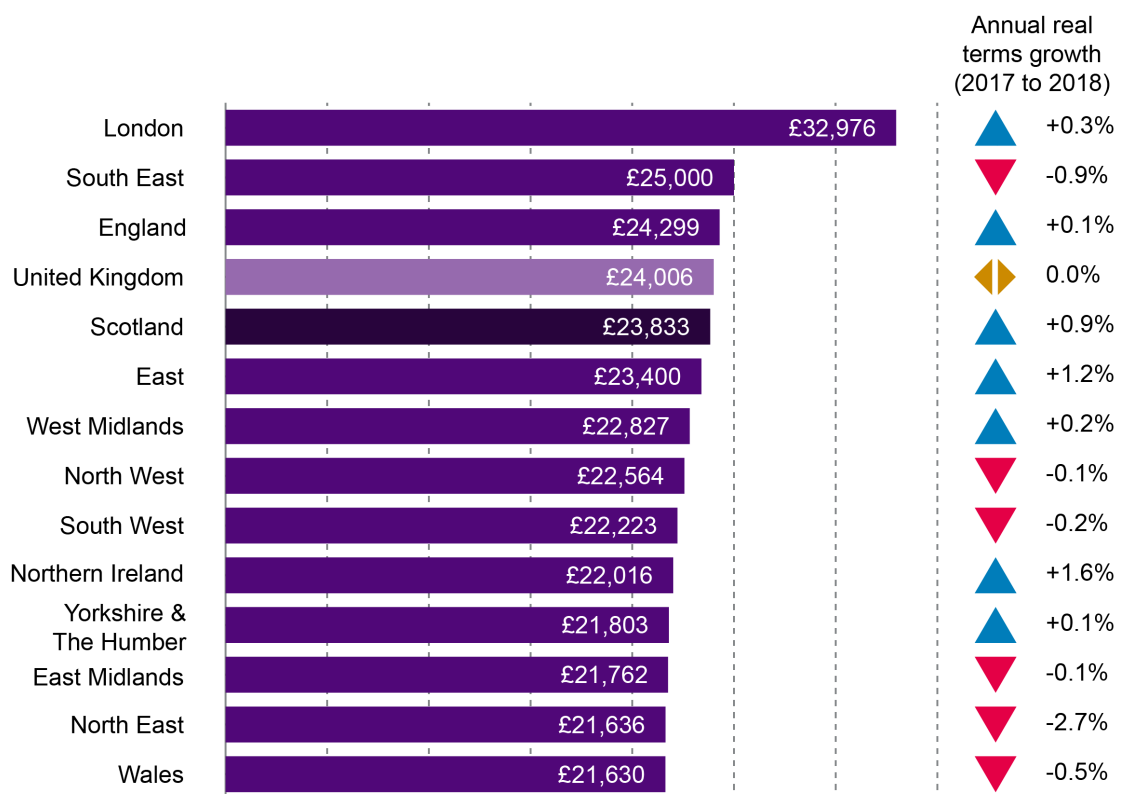
- Where figures are adjusted for inflation, the Consumer Prices Index including owner occupiers' housing costs (CPIH) figure has been used (2.2% in the year to April 2018). CPIH is used as it is the most comprehensive measure of UK consumer price inflation, as it includes owner occupiers' housing costs (OOH) and Council Tax.
- Because of the potential for sampling errors for smaller groups, including local areas and small industries, there is a wider margin of error with some of the data than for Scotland as a whole.
- Unless otherwise stated, the median estimate has been used rather than the mean, as it provides a better indication of 'typical' pay. Median values split the top 50 per cent from the bottom 50 per cent, meaning it is less likely to be skewed by the relatively small number of very high earners.
- "Full-time" is defined as employees working 30 paid hours per week or more (or 25 or more for the teaching professions).
- Methodological changes in 2004, 2006 and 2011 resulted in discontinuities in the ASHE time series, therefore care should be taken when making comparisons with earlier years.

# What does the typical salary look like in Scotland?

This section looks at annual salaries for all employees in Scotland, both full-time and part-time, compared to the other regions and nations of the UK. The ASHE analysis for annual earnings relates to employees who have been in the same job for more than one year. <sup>2</sup>

**Typical annual pay for all employees in Scotland is just below the UK-wide figure**

Figure 1: Gross annual pay for all employees across the nations and regions of the UK - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

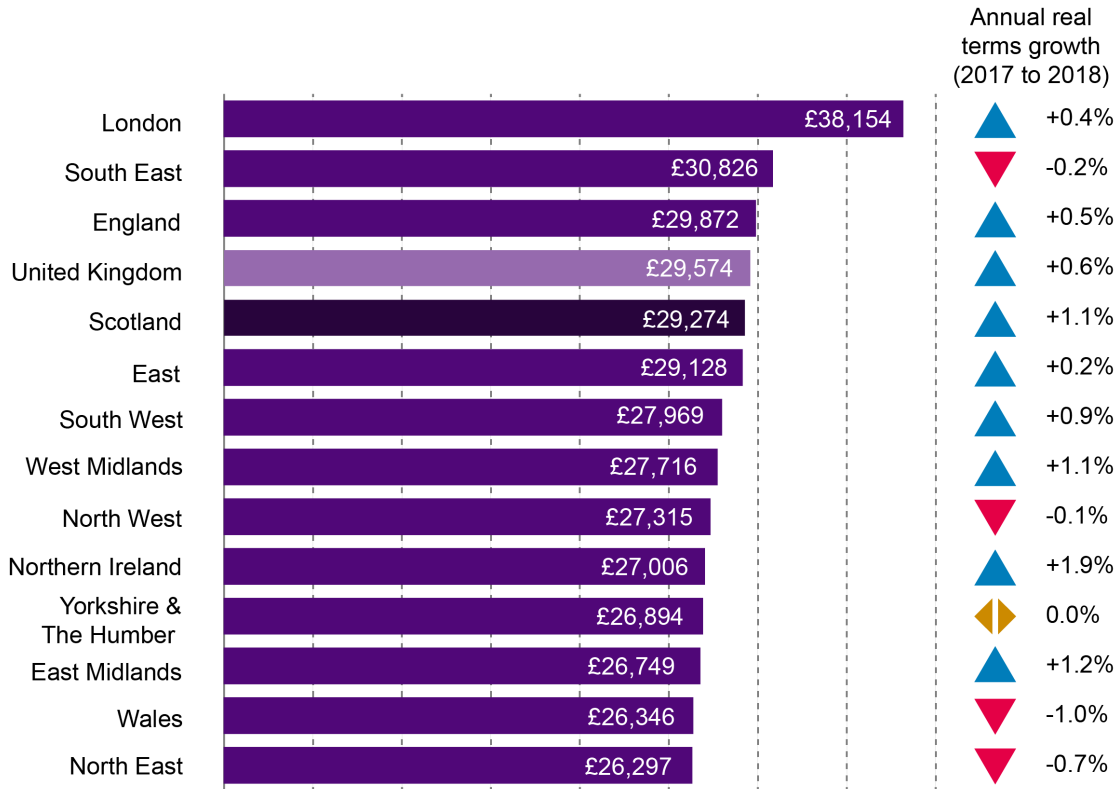
In April 2018 the median, or typical, gross salary in Scotland for all employees was £23,833. This is just below the UK wide figure (£24,006) and is the highest outside London and the South East, but lower than the overall England figure. This pattern is also seen in earnings for employees working full-time.

Over the year salaries for all employees in Scotland grew by 3.1%, which was 0.9% in real terms. This was the third highest increase of the UK regions and nations. Only Northern Ireland and the East of England saw larger increases in salaries.

# What does the typical full-time salary look like in Scotland?

Typical full-time pay for all employees in Scotland is just below the UK wide figure

Figure 2: Gross annual pay for full-time employees across the nations and regions of the UK - 2018



Annual Survey of Hours and Earnings: 2018 provisional

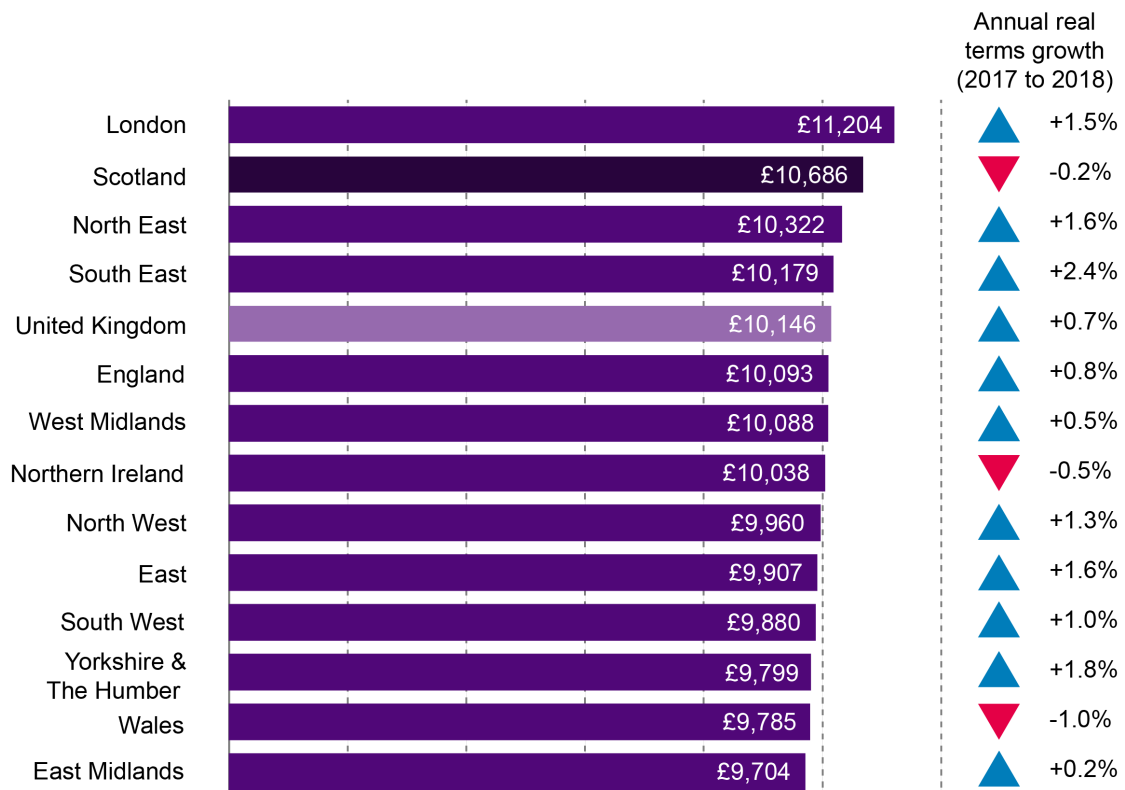
In Scotland 74% of people work full-time. Men make up the majority (62%) of those working full-time. In April 2018 the median, or typical, gross full-time salary in Scotland was £29,872. This is just below the UK wide figure (£28,574) and is the highest outside London and the South East, but lower than the overall England figure. This pattern is also seen in earnings for all employees.

Over the year salaries for full-time employees in Scotland grew by 3.3%, which means wages grew by 1.1% in real terms. The UK overall saw a real terms increase of 0.6%.

# What does the typical part-time salary look like in Scotland?

Typical annual pay for part-time employees in Scotland is the second highest of the nations and regions of the UK

Figure 3: Gross annual pay for part-time employees across the nations and regions of the UK - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

In Scotland 26% of people work part-time. Women make up the majority (78%) of those working part-time. In April 2018 the median, or typical, gross part-time salary in Scotland was £10,686. This is the highest outside London.

Over the year salaries for part-time employees in Scotland grew by 2.0%, which was a 0.2% fall in real terms. The South East saw the largest increase while Yorkshire and The Humber saw the biggest decrease in real terms.

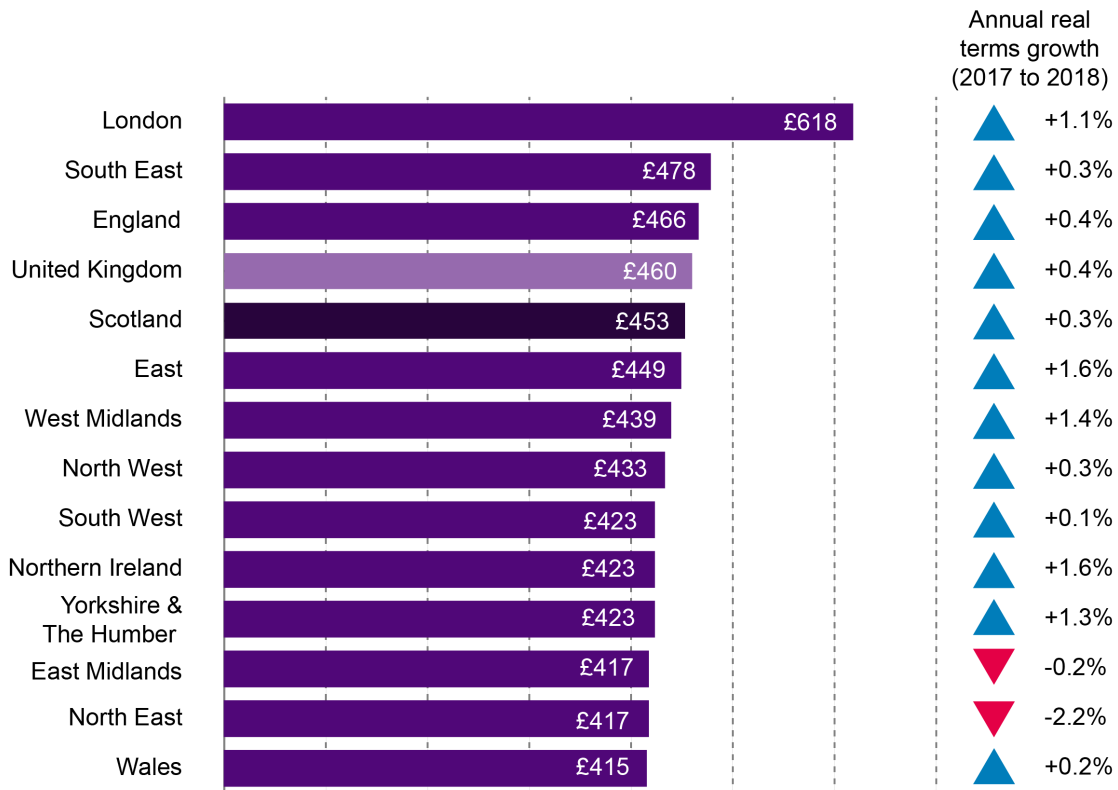
# What does typical weekly pay look like in Scotland?

Unlike salaries, the analysis of weekly pay doesn't require a person to have been in the same job for a year. It relates to employees whose earnings for the survey pay period were not affected by absence.

This section looks at what weekly pay for all employees, both full-time and part-time, looks like in Scotland compared to the other regions and nations of the UK.

## Typical weekly pay for all employees in Scotland is just below the UK wide figure

Figure 4: Gross weekly pay for all employees across the nations and regions of the UK - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

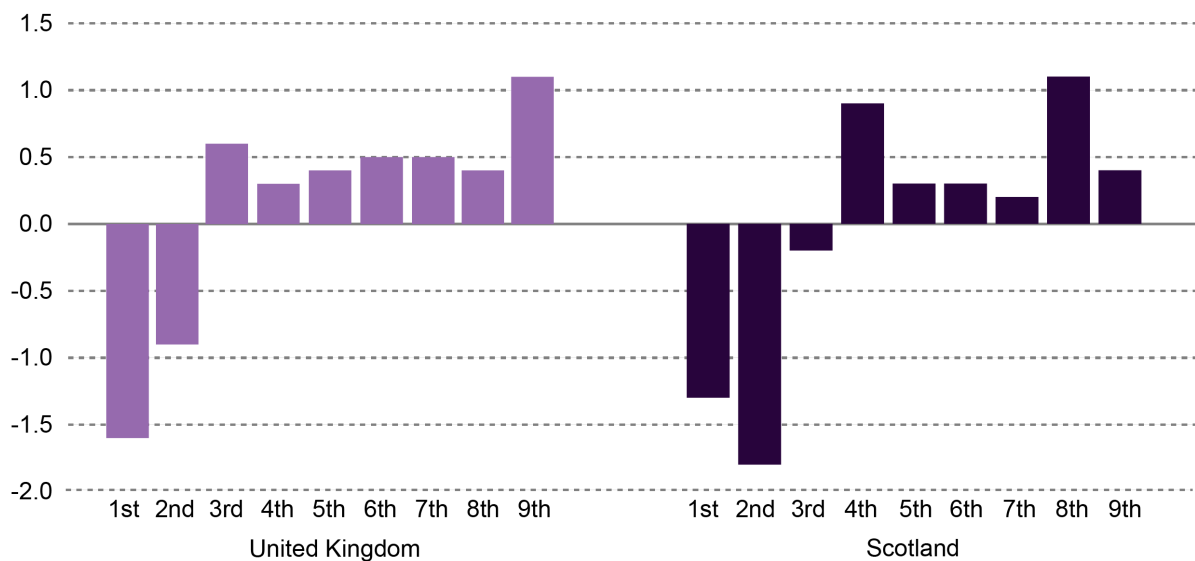
In April 2018 the median, or typical, gross weekly pay in Scotland for all employees was £453. This is just below the UK wide figure (£460) and is the highest outside London and the South East, but lower than the overall England figure. This pattern is also seen in earnings for employees working full-time.

Over the year gross weekly pay for all employees in Scotland grew by 2.5%, which was a 0.3% increase in real terms. This was the fifth lowest increase of the UK regions and nations. The East of England saw the largest increase in real terms at 1.6%, while the North East saw the largest decrease in real terms (-2.2%).



## The lowest paid saw real terms decreases in income over the year

Figure 5: Real terms growth in gross weekly pay for all employees by decile thresholds - Scotland and the UK



[Annual Survey of Hours and Earnings: 2018 provisional](#)

ASHE provides data on earnings by deciles. Deciles split data into ten groups of equal size then ranks them. In this case, the 1st group has the lowest income and 9th has the highest, ASHE does not publish data for the 10th decile threshold.

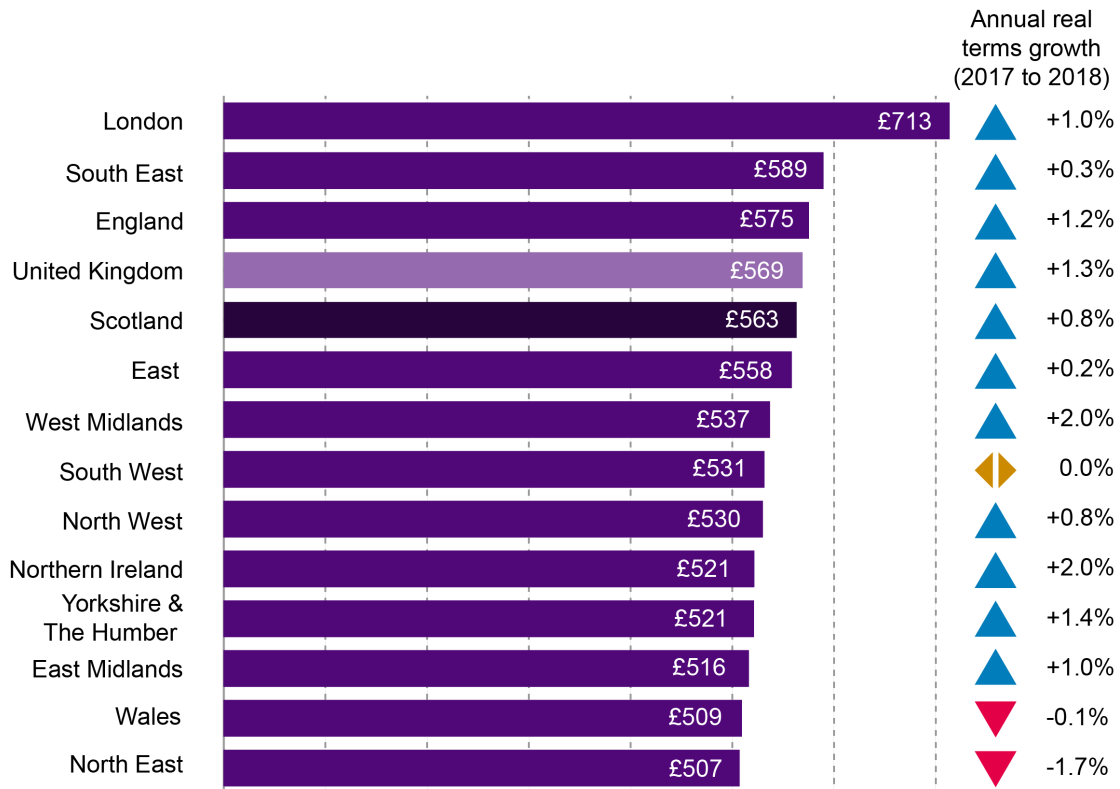
When looking at this data we can see that the bottom three deciles in Scotland have seen real terms *reductions* over the year, while all other deciles have increased in real terms. The second top decile has actually seen the largest real terms increase, at 1.1%, while the second bottom has seen the biggest decrease at 1.8%.

As this data is for earnings *pre-tax* and welfare distribution, it is fair to say that what is known as “market income inequality” has increased over the year. Those at the bottom of the earnings scale are relatively worse off (before tax and transfers) whilst the highest earners have seen wage rises.

# What does typical full-time weekly pay look like in Scotland?

Typical weekly full-time pay for all employees in Scotland is just below the UK wide figure

Figure 6: Gross weekly pay for full-time employees across the nations and regions of the UK - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

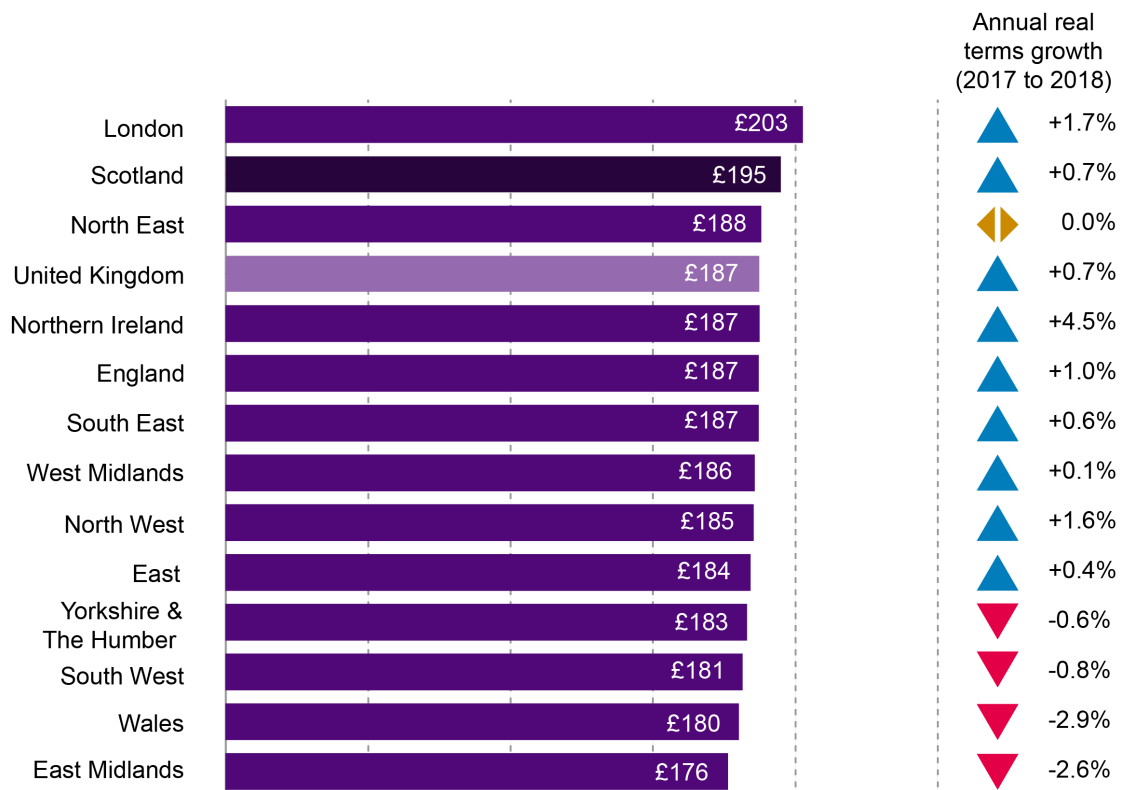
In Scotland 74% of people work full-time. Men make up the majority (62%) of those working full-time. In April 2018 the median, or typical, gross full-time weekly pay in Scotland was £563. This is just below the UK wide figure (£569) and is the highest outside London and the South East, but lower than the overall England figure. This pattern is also seen in earnings for all employees.

Over the year, gross weekly pay for full-time employees in Scotland grew by 3.0%, which was a 0.8% increase in real terms. The West Midlands and Northern Ireland saw the largest increase. Both Wales and the North East both saw decrease in real terms.

# What does typical part-time weekly pay look like in Scotland?

Typical weekly pay for part-time employees in Scotland is the second highest of the nations and regions of the UK

Figure 7: Gross weekly pay for part-time employees in across the nations and regions of the UK - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

In Scotland 26% of people work part-time. Women make up the majority (78%) of those working part-time. In April 2018 the median, or typical, gross weekly part-time salary in Scotland was £195. This is the highest outside London.

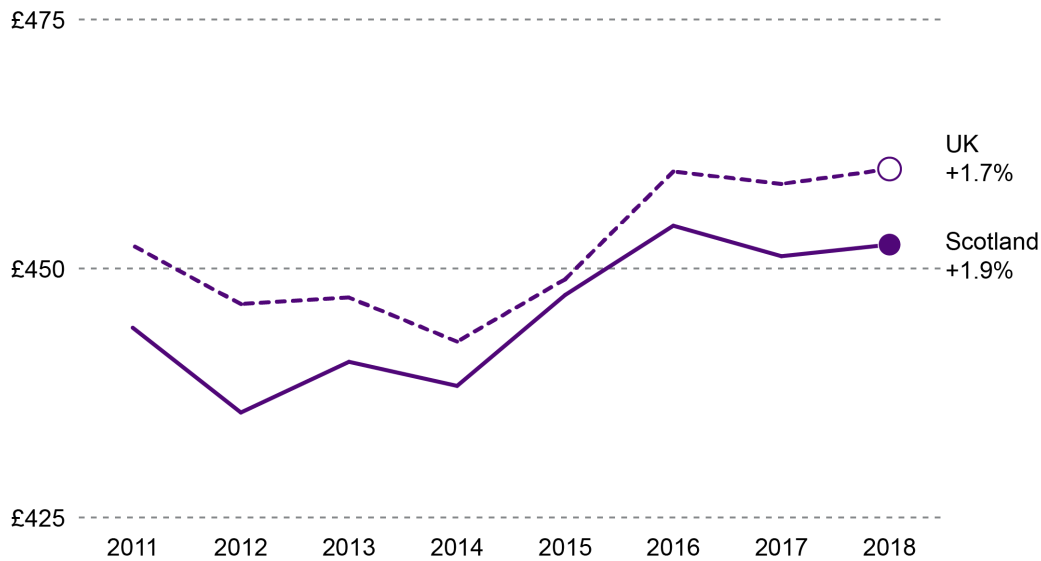
Over the year gross weekly pay for part-time employees in Scotland grew by 2.9%, which means wages grew by 0.7%. This was the fifth highest increase of the UK regions and nations. Northern Ireland saw the highest increase at 4.5% in real terms, while Wales saw the largest real terms decrease at 2.9%.

# How has pay changed over time?

This section looks at how wages in Scotland and the UK have changed from 2011 to 2018. It looks at the gross weekly wages for those who live in Scotland. The real terms figures are calculated using the CPIH figure for April each year.

## Despite Scotland seeing stronger growth in wages it still sits behind the UK

Figure 8: Gross weekly pay in real terms for Scotland and the UK between 2011 and 2018

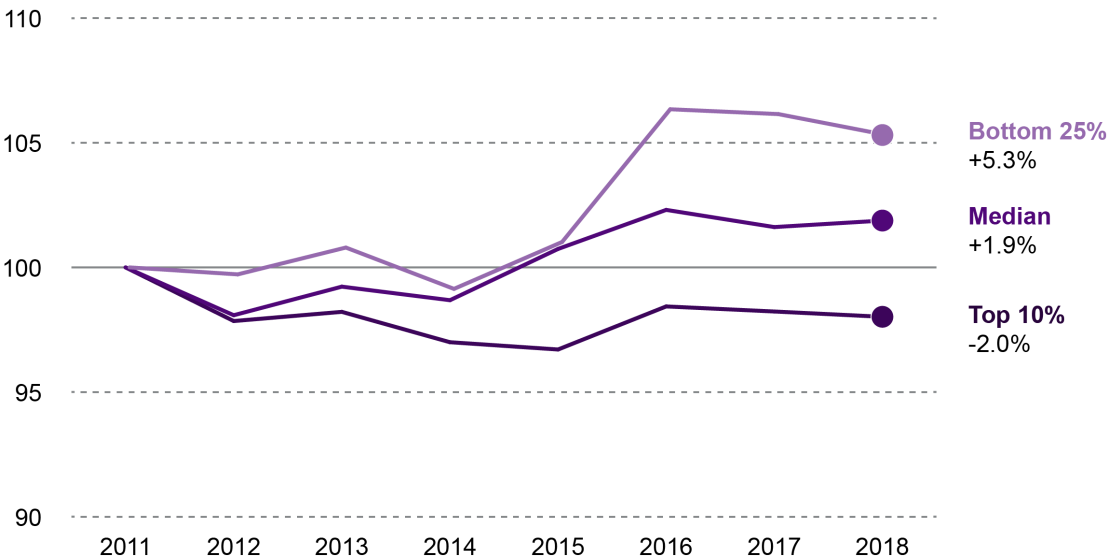


[ASHE data via nomis](#)

Scotland has seen slightly higher growth in real terms income than the UK, increasing by 1.9% compared to 1.7% between 2011 and 2018.

**Wages for the bottom 25% have seen real terms growth between 2011 and 2018, despite falling over the past two years**

Figure 9: Growth in real terms income indexed to 2011 between 2011 and 2018 - Scotland



ASHE data via nomis

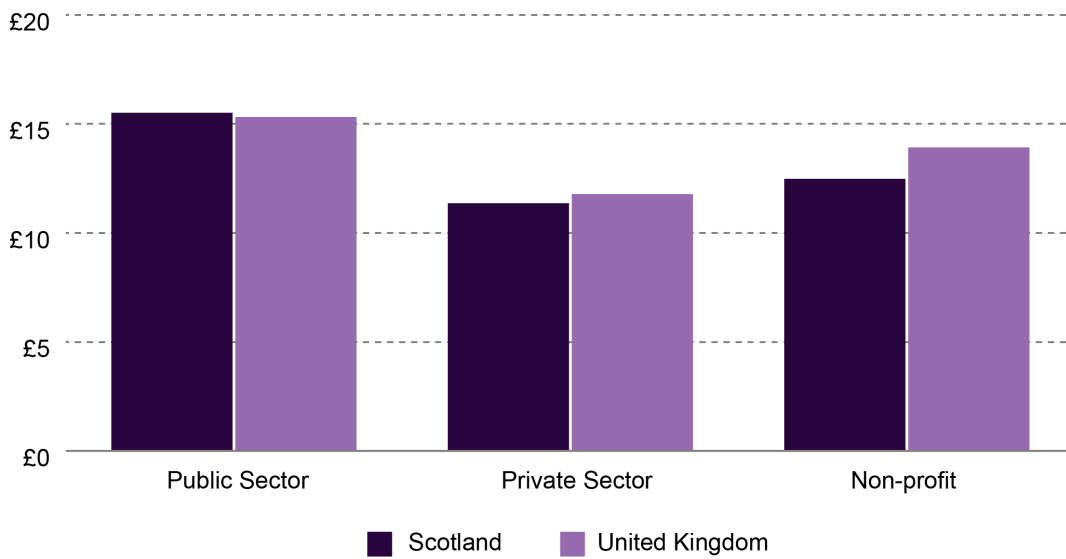
While the wages for the both the bottom 25% and those at the median income level have increased between 2011 and 2018, the top 10% of earners have seen a decrease. Real terms wage growth has overall been stagnant since 2016.

# Public and private sector pay

The reasons for the differences in private and public sector pay levels are complex "because of the different jobs and characteristics of the people within each sector".<sup>3</sup> To address some of these issues, hourly pay excluding overtime is used for comparing the public and private sectors. This helps to control for the difference in the length of the working week.

## Public sector pay is higher in Scotland than the UK, but private sector pay is lower

Figure 10: Hourly pay excluding overtime by sector in Scotland and the UK - 2018



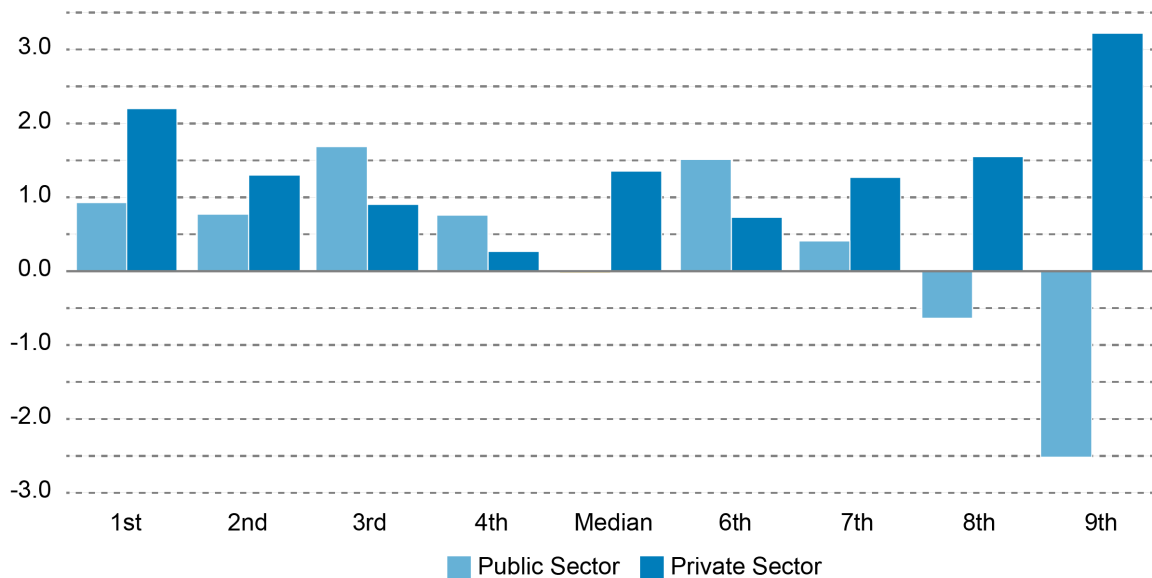
[Annual Survey of Hours and Earnings: 2018 provisional](#)

Public sector pay in Scotland is slightly higher than the UK, at £15.51 per hour compared to £15.32 per hour. Private sector pay is lower the UK, at £11.78 per hour in the UK and £11.36 per hour in Scotland.

Public sector pay increased in real terms across the UK by 0.4%, but fell by 0.1% in Scotland. Private sector pay increased by 1.4% in Scotland and by 0.9% across the UK.

## Earnings for the two highest deciles have increased in the private sector but fallen in public sector over the year

Figure 11: Real terms growth in hourly pay excluding overtime in the public and private sector, Scotland by decile threshold, 2017-18



[Annual Survey of Hours and Earnings: 2018 provisional](#)

ASHE provides data on earnings by deciles. Deciles split data into ten groups of equal size then ranks them. In this case, the 1st group has the lowest income and 9th has the highest, ASHE does not publish data for the 10th decile threshold.

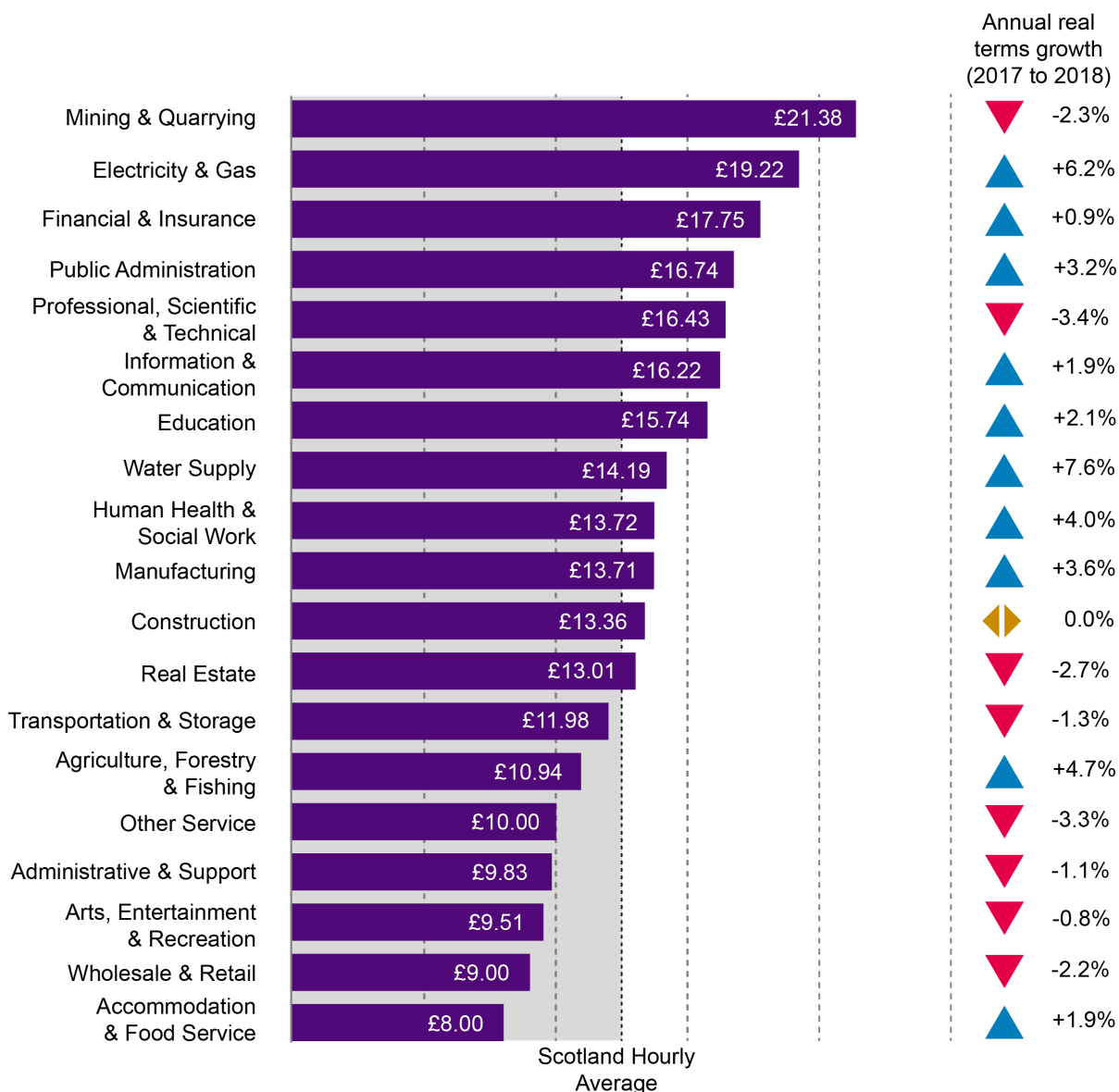
Looking at the growth in income across the public and private sector in real terms show a stark contrast between the two. Across every level of pay between 2016 and 2018, private sector income in Scotland increased while in the public sector pay increased at all deciles except the median, 8th and 9th deciles. The private sector saw higher increases at the 1st, 2nd, 7th, 8th and 9th deciles.

# Which industries in Scotland pay the most?

This section looks at pay by industry in Scotland, using median hourly pay excluding overtime for all employees, in order to control for different working patterns and working weeks across industries.

## "Mining and quarrying" was the highest paid industry in Scotland in 2018

Figure 12: Hourly pay excluding overtime by industry in Scotland - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

The “mining and quarrying” industry (which includes the offshore oil and gas sector) has the highest median hourly rate excluding overtime at £21.29, despite seeing a decrease of 2.3% in real terms. The water supply industry category saw the largest increase at 7.6% in real terms.



The “accommodation and food services” industry has the lowest rate despite seeing an above inflation increase in earnings over the year of, 1.9% in real terms. “Accommodation and food” is the only industry to have a median wage below the living wage rate at the time of the survey, of £8.75 an hour.

# Which occupations in Scotland pay the most?

This section looks at pay by occupation in Scotland, using median hourly pay excluding overtime, for all employees in order to control for different working patterns and working weeks across the occupations.

## Managers, directors and senior officials have seen the biggest decrease in pay between 2017 and 2018

Figure 13: Hourly pay excluding overtime by occupation in Scotland - 2018



[Annual Survey of Hours and Earnings: 2018 provisional](#)

“Professional occupations” in Scotland (including engineers, IT and health professionals) have the highest hourly rates of pay, at £19.92 an hour excluding overtime. “Sales and customer services” and “elementary occupations” (for example bar staff, cleaners and farm workers), both have median hourly rates at or below the living wage rate at the time of the survey, of £8.75 an hour.

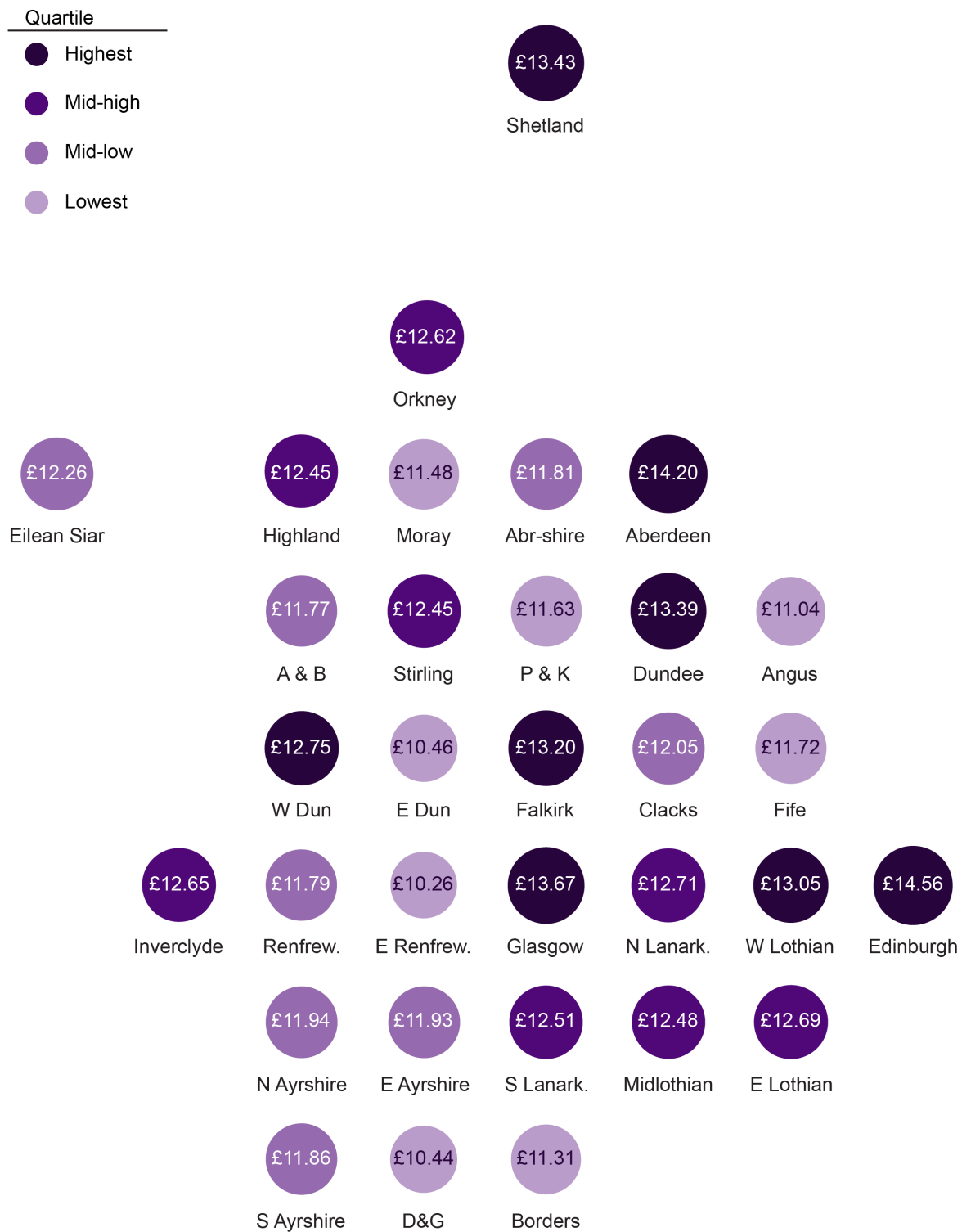
Managers, directors and senior officials saw a 3.6% real terms decrease in their wages over the year. Administrative and secretarial occupations saw the largest real terms increase at 1.6%

# Which local authority area in Scotland has the highest pay?

ASHE provides figures on pay by local authority for those who live in the area, and those who work in the area. This section uses median hourly pay excluding overtime for all employees, in order to control for different structural differences in local authority economies.

## Scotland's four biggest cities have some of the highest rates of pay across Scotland for those that work there

Figure 14: Hourly pay excluding overtime by place of work by local authority - 2018

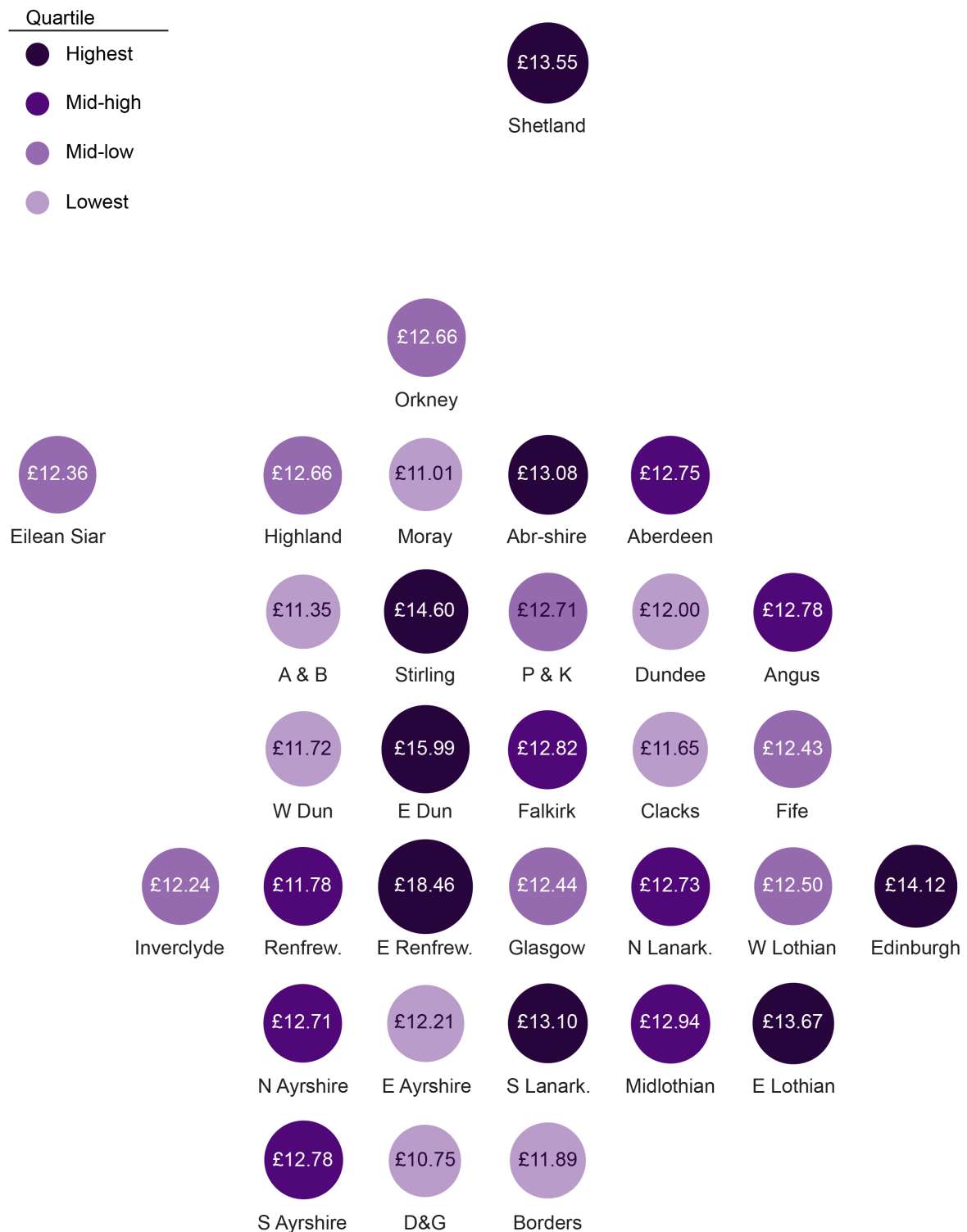


Annual Survey of Hours and Earnings: 2018 provisional

Edinburgh has the highest workplace income in Scotland at £14.56 while East Renfrewshire has the lowest at £10.26. The data for the map can be found in the [annex](#).

## Areas with high number of commuters have some of the highest rates of pay for residents

Figure 15: Hourly pay excluding overtime by place of residence by local authority - 2018

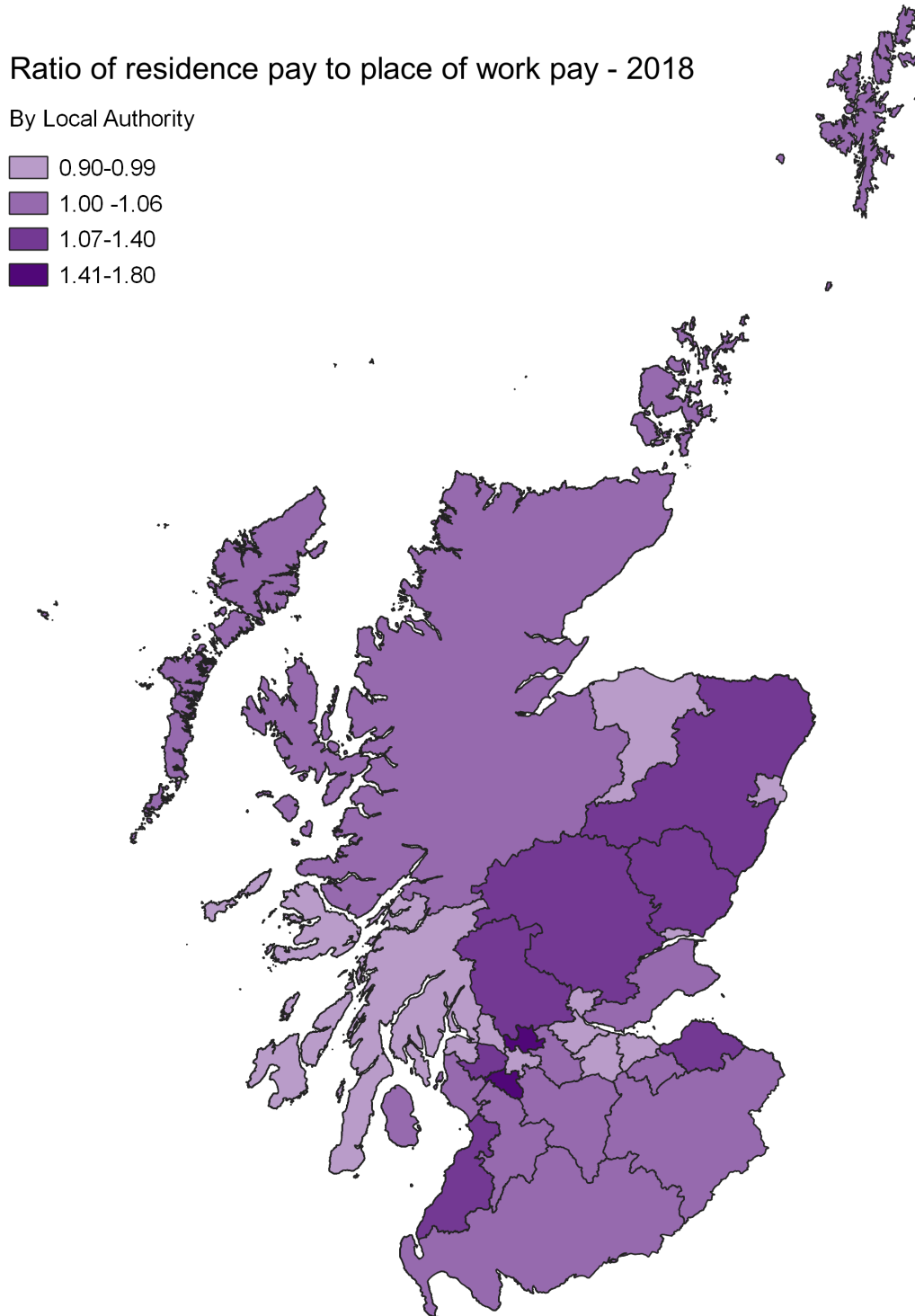


Annual Survey of Hours and Earnings: 2018 provisional

East Renfrewshire has the highest rate of pay for residents at £18.46 while Dumfries and Galloway has the lowest at £10.75. Of the four largest cities, only Edinburgh is in the top quartile, with Dundee in the bottom. The data for the map can be found in the [annex](#).

## East Renfrewshire has the highest pay ratio when comparing residence to place of work pay

Figure 16: Ratio of residence pay to place of work pay by local authority - 2018



Based on OS material with permission from OS. SPCB 10039291

## SPICe calculation

Commuter areas tend to have the highest residence pay to place of work pay ratio with East Renfrewshire having the highest at 1.80. Scotland's four largest cities all have lower rates of pay for the place of work analysis when compared to the residence analysis, with Dundee having the largest proportional gap across Scotland. Orkney, Shetland and Comhairle nan Eilean Siar have very little difference between place of work and residence pay. The data for the map can be found in the [annex](#).

# Annex

**Table A1: Hourly pay excluding overtime by local authority - 2018**

Local Authority	Residence	Place of Work	Residence to Place of Work Ratio
Aberdeen City	12.75	14.2	0.90
Aberdeenshire	13.08	11.81	1.11
Angus	12.78	11.04	1.16
Argyll and Bute	11.35	11.77	0.96
City of Edinburgh	14.12	14.56	0.97
Clackmannanshire	11.65	12.05	0.97
Dumfries and Galloway	10.75	10.44	1.03
Dundee City	12.00	13.39	0.90
East Ayrshire	12.21	11.93	1.02
East Dunbartonshire	15.99	10.46	1.53
East Lothian	13.67	12.69	1.08
East Renfrewshire	18.46	10.26	1.80
Comhairle nan Eilean Siar	12.36	12.26	1.01
Falkirk	12.82	13.20	0.97
Fife	12.43	11.72	1.06
Glasgow City	12.44	13.67	0.91
Highland	12.66	12.45	1.02
Inverclyde	12.24	12.65	0.97
Midlothian	12.94	12.48	1.04
Moray	11.01	11.48	0.96
North Ayrshire	12.71	11.94	1.06
North Lanarkshire	12.73	12.71	1.00
Orkney Islands	12.66	12.62	1.00
Perth and Kinross	12.71	11.63	1.09
Renfrewshire	12.78	11.79	1.08
Scotland	12.79	12.81	1.00
Scottish Borders	11.89	11.31	1.05
Shetland Islands	13.55	13.43	1.01
South Ayrshire	12.78	11.86	1.08
South Lanarkshire	13.10	12.51	1.05
Stirling	14.60	12.45	1.17
West Dunbartonshire	11.72	12.75	0.92
West Lothian	12.50	13.05	0.96

[Annual Survey of Hours and Earnings: 2018 provisional](#)



# Bibliography

- 1 Office for National Statistics. (2018, October 25). Earnings and hours worked in the UK: 2018. Retrieved from <https://www.ons.gov.uk/releases/analysesbasedonannualsurveyofhoursandearningsprovisional2018andrevised2017> [accessed 15 November 2018]
- 2 Office for National Statistics. (2014, September 9). Annual Survey of Hours and Earnings, Low Pay and Annual Survey of Hours and Earnings Pension Results QMI. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/qmis/annualsurveyofhoursandearningslowpayandannualsurveyofhoursandearningspensionresultsqmi> [accessed 27 October 2017]
- 3 Office for National Statistics. (2014, November 19). Public and Private Sector Earnings - November 2014. Retrieved from [http://webarchive.nationalarchives.gov.uk/20160107090910/http://www.ons.gov.uk/ons/dcp171776\\_383355.pdf](http://webarchive.nationalarchives.gov.uk/20160107090910/http://www.ons.gov.uk/ons/dcp171776_383355.pdf) [accessed 01 November 2017]

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