

SPICe Briefing
Pàipear-ullachaidh SPICe

## **Earnings in Scotland: 2021**

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This briefing looks at the latest data for Scotland from the Annual Survey of Hours and Earnings.



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### **Executive summary**

The Annual Survey of Hours and Earnings data was published on 26 October 2021 <sup>1</sup>. As with last year's data it was impacted by the pandemic. We explore the impact of the the pandemic on jobs in Scotland between 2019 and 2021 and on the survey itself later in the briefing.

### What was the median pay for all employees in 2021?

Fig 1: Gross annual pay, gross weekly pay and hourly pay excluding overtime for all employees by nation and region of the UK - 2021

### What was the median pay for All Employees in 2021?

Gross Annual Pay	Gross Weekly Pay	Hourly pay excluding overtime
London	London	London
South East	South East	South East
Scotland - £26,007	UK - £504	Scotland - £14.28
UK - £25,971	Scotland - £504	UK - £14.05
East	East	East
West Midlands	West Midlands	West Midlands
North West	North West	North West
East Midlands	East Midlands	South West
Northern Ireland	Northern Ireland	Yorks. and Hum.
Yorks. and Hum.	Yorks. and Hum.	Wales
South West	South West	East Midlands
Wales	Wales	Northern Ireland
North East	North East	North East

Source: Employee earnings in the UK: 2021

When looking at pay for all employees:

- At £26,007, Scotland has the third highest median gross annual salary of the nations and regions of the UK and it is higher than the UK figure.
- At £504, Scotland has the third highest median gross weekly pay of the nations and regions of the UK and it is the same as the UK figure.
- At £14.28, Scotland has the third highest median hourly pay excluding overtime of the nations and regions of the UK and it is higher than the UK figure.

### What was the median pay for all full-time employees in 2021?

Fig 1: Gross annual pay, gross weekly pay and hourly pay excluding overtime for full-time employees by nation and region of the UK - 2021

### What was the median pay for Full-time Employees in 2021?

Gross Annual Pay	Gross Weekly Pay	Hourly pay excluding overtime
London	London	London
South East	South East	South East
Scotland - £31,672	Scotland - £622	Scotland - £15.99
UK - £31,285	UK - £611	UK - £15.59
East	East	East
West Midlands	West Midlands	West Midlands
North West	North West	North West
Northern Ireland	Northern Ireland	South West
South West	South West	Northern Ireland
Yorks. and Hum.	Yorks. and Hum.	Wales
Wales	Wales	Yorks. and Hum.
East Midlands	East Midlands	North East
North East	North East	East Midlands

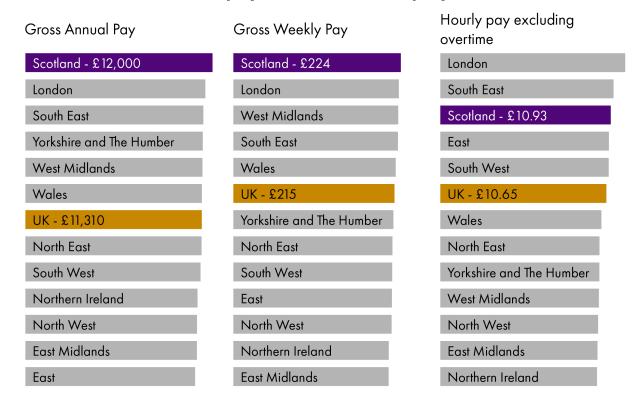
Source: Employee earnings in the UK: 2021

When looking at pay for full-time employees, the pattern is identical across annual, weekly and hourly pay, with Scotland having the third highest median salary of the nations and regions of the UK.

### What was the median pay for part-time employees in 2021?

Fig 3: Gross annual pay, gross weekly pay and hourly pay excluding overtime for part-time employees by nation and region of the UK - 2021

### What was the median pay for Part-time Employees in 2021?



Source: Employee earnings in the UK: 2021

When looking at pay for part-time employees, the pattern across annual, weekly and hourly pay is different:

- At £12,000, Scotland has the highest median gross annual salary of the nations and regions of the UK and it is higher than the UK figure.
- At £224, Scotland has the highest median gross weekly pay of the nations and regions of the UK and it is higher than the UK figure.
- At £10.93, Scotland has the third highest median hourly pay excluding overtime of the nations and regions of the UK and it is higher than the UK figure.

### What are the highest and lowest areas of pay by industry and occupation?

Fig 4: Highest and lowest paid industry and occupation for hourly pay excluding overtime for all employees in Scotland- 2021



Source: Employee earnings in the UK: 2021

When looking at median hourly pay excluding overtime by industry:

- Utilities, electricity, gas and air conditioning is the highest paid industry in Scotland, at £21.83.
- Accommodation and food services is the lowest paid at £8.91, which is lower than the Real Living Wage at the time of the survey.

When looking at median hourly pay excluding overtime by occupation:

- Professional occupations are the highest paid at, £21.96.
- Elementary are the lowest paid, at £9.54.

### Where are the top ten local authorities for pay by residence and workplace?

Fig 5: Top ten local authorities by hourly pay excluding overtime for were people live and where people work- 2021

Top eight local authorities for pay by where people live

East Renfrewshire - £20.87

East Dunbartonshire - £17.56

Renfrewshire - £15.34

City of Edinburgh - £15.26

South Lanarkshire - £15.22

Stirling - £14.96

Shetland Islands - £14.90

Glasgow City- £14.68

Na h-Eileanan Siar - £14.68

Midlothian - £14.55

Areas with high levels of outward commuters have higher pay for where people live.

Top eight local authorities for pay by where people work

East Ayrshire - £16.92

City of Edinburgh - £15.64

Glasgow City - £15.35

Stirling - £15.19

Aberdeen City - £15.00

Dundee City - £14.91

Perth and Kinross - £14.84

Shetland Islands - £14.81

Na h-Eileanan Siar - £14.81

North Ayrshire - £14.48

Scotland's cities tend to have the highest pay for where people work.

Source: Employee earnings in the UK: 2021

When looking at pay by local authority across Scotland:

- Hourly pay excluding overtime for where people live tends to be higher in areas where there is a high number of outward commuters.
- Hourly pay excluding overtime for where people work is highest in Scotland's three largest cities.

### About the data

The data in this briefing are ASHE 2021 provisional results, published by the Office for National Statistics (ONS) <sup>2</sup>. The survey provides a range of earnings statistics for employees across the UK. ASHE provides data for hourly, weekly and annual income for all employees and part-time and full-time employees. It does not cover the self-employed. ASHE uses Pay As You Earn (PAYE) data to identify representative sub groups of employers and employees who they then survey to get information on employee hours and earnings.

#### 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 (0.9% in the year to April 2020). CPIH 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 smaller data sets 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.
- Unless otherwise stated this briefing looks at the workplace analysis of the ASHE.

### Impact of the pandemic on the data

Interpreting the data from ASHE has been complicated because of the pandemic. There are three main areas to consider when looking at the data:

- The impact of the Coronavirus Job Retention Scheme (CJRS).
- · Job insecurity for low-paid jobs.
- · There was a decreased response rate for the survey.

#### Coronavirus Job Retention Scheme (CJRS)

At the time of the survey in 2020 approximately 8.8 million employees were furloughed under the Coronavirus Job Retention Scheme (CJRS), compared to around 3.7 million at the time of the 2021 survey. This means that many employees saw their income fall by 20% as the CJRS only supported 80% of an employee's wages. The ONS estimate that

around half of employers topped up wages to 100% in both years, but this still leaves a significant number of employees affected by reduced earnings.

### Job insecurity for low-paid jobs

As well as the impact of furlough, lower-paid people were at greater risk of losing their jobs during the pandemic. Fewer lower-paid people in the workforce will increase the average earnings for those who remained in work.

#### Decreased response rate for the survey

Both the 2020 and 2021 surveys saw a lower response rates than usual. As such, ASHE estimates for 2020 and 2021 are subject to more uncertainty than normal.

The combination of furlough and fewer low paid employees mean that the overall composition of employee income changed significantly between 2019 and 2020. With this change in composition and the lower response rates in 2020 and 2021, the ONS have recommended that users should focus on longer term tends rather than comparing 2020 to 2021.

### Jobs in Scotland: March 2019 to March 2021

The composition of the labour market is important to understanding changes in the ASHE data. For example, the headline figure may show that there has been an increase in median pay. However, this could be for multiple reasons:

- There could have been an increase in the number of jobs that are paid above the median, therefore the median will increase.
- Conversely there could have been a fall in the number of jobs that are paid less than the median, which will also drive up the median.

The Workforce Jobs datafrom the ONS allows the breakdown of total workforce jobs by the total number of employee jobs. This is useful as the ASHE data is based on PAYE data. The Workforce Jobs data is released quarterly. We will be looking at the data for March as it is the closest to the time that the ONS survey businesses, which is April every year.

We must also bear in mind the impact of the pandemic on the ASHE data. At the time of the survey in 2020 and 2021 there were high numbers of people on furlough, 8.8 million in 2020 and 3.7 million in 2021. As throughout the briefing, we are looking at the data from 2019 to 2021, and thus it is useful to look at how the composition of employee jobs in Scotland has changed over this time.

Let start by looking at the total number of employees.

- Between 2019 and 2021 the number of employees in Scotland fell by 27,000.
- When we look at the working pattern breakdown, there were 29,000 fewer full-time employees and 2,000 more part-time.

As full-time roles tend to be higher paid than part-time, we could surmise that there would

be a fall in the median. However, it is not as straightforward as this.

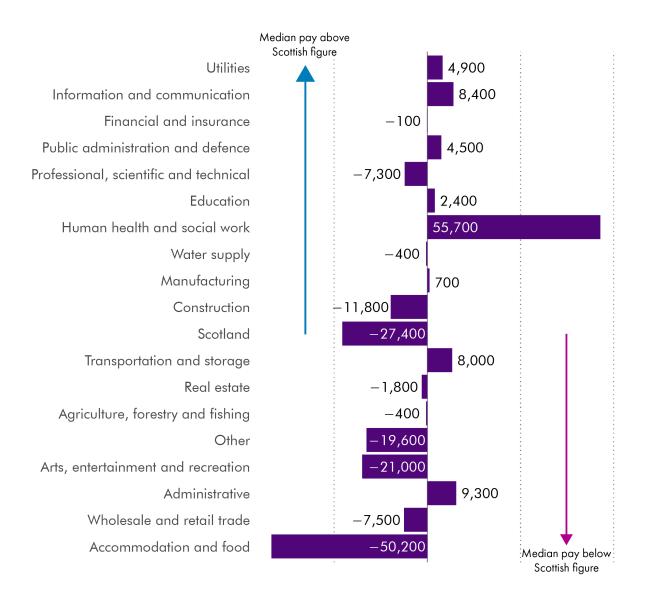
Thus, it is helpful to look at the breakdown by industry to give an idea of the underlying trends.

- Most job losses have come in industries where the median pay is below the Scotland wide median. For example, there are around 50,000 fewer jobs in the Accommodation and food services industry, which has the lowest median pay in Scotland.
- Conversely most of the new jobs have come in industries that have a higher median
  pay then the Scotland wide figure. For example, there are around 56,000 more jobs in
  the Human health and social work industry, which has a median pay above the
  Scottish median.

It should be noted that the industries are ranked based on hourly pay excluding overtime for all employees, we have used this measure to control for different working patterns across industries.

## The biggest job losses have come in lower paid industries, while there have been increases in the number of jobs in the higher paid industries.

Fig 6: Change in the number of jobs by industry between 2019 and 2021, sorted from highest to lowest hourly pay excluding overtime in 2021



Source: Work Force Jobs via nomis

This analysis provides insight on how sectoral changes in the labour market in Scotland, between 2019 and 2021, has impacted the ASHE data. However, we cannot make any explicit inferences about this analysis as we don't know the pay for the jobs that have been added or removed from the jobs market.

### **Typical salaries in Scotland**

This section looks at annual salaries for all employees in Scotland, broken down by those in full-time and part-time employment, and how these numbers compare 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. The ONS have stated the annual pay estimates are largely unaffected by the Coronavirus (COVID-19) pandemic.

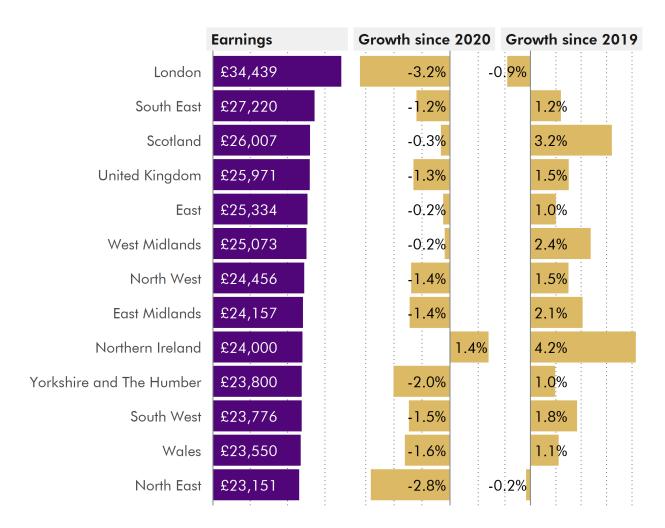
Due to the pandemic, the ASHE data for 2020 and 2021 is subject to more uncertainly. We have therefore provided percentage change from 2020 and 2019 as the ONS has recommended focusing on longer term trends. We will be focusing on the change between 2019 and 2021. More information can be found in the About the data section.

# What is the typical salary for all employees in Scotland?

This section looks at typical salaries for all employees in Scotland and across the UK.

## Scotland has the third highest typical salary across the countries and regions of the UK.

Figure 7: Gross annual pay for all employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

In April 2020 the typical salary for all employees in Scotland was £26,007, which is just above the UK wide figure of £25,971. London has the highest typical salary at £34,439 while the North East of England has the lowest at £23,151.

The typical salary in Scotland grew by 3.2% in real terms from 2019 but fell from 2020 to 2021. Northern Ireland saw the largest increase from 2019, growing by 4.2%. Only London and the North East of England saw falls since 2019.

# What is the typical salary for full-time employees in Scotland?

This section looks at typical salaries for full-time employees in Scotland and across the UK.

## Scotland has the third highest median full-time salary of the nations and regions of the UK.

Figure 8: Gross annual pay for full-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

In April 2021, the typical salary for full-time employees in Scotland was £31,672, which is just above the UK wide figure of £31,285. London has the highest typical salary at £41,716 while the North East of England has the lowest at around £27,515.

The typical full-time salary in Scotland grew by 2.9% in real terms from 2019, which was the second highest across the UK. The North East of England saw the largest fall at 1.5%.

Care should be taken when interpreting these figures due to issues with this year's data. You can find out more in this in the "about the data" section of the briefing.

## What is the typical salary for part-time employees in Scotland?

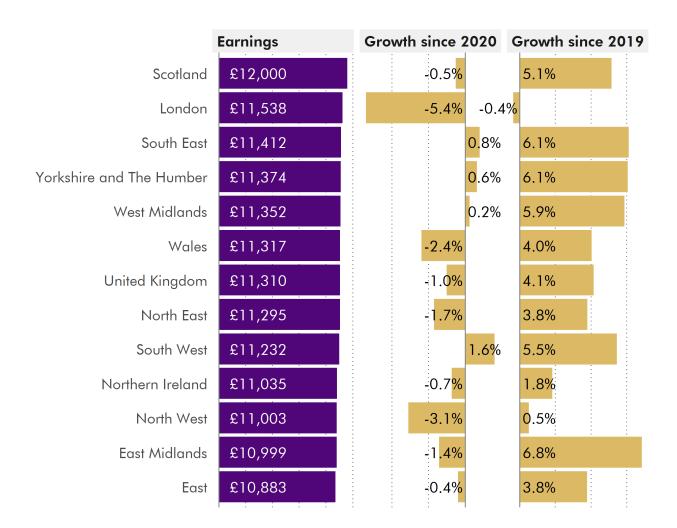
This section looks at typical salaries for part-time employees in Scotland and across the UK.

When looking at part-time pay it is important to note:

- Part-time jobs tend to be more impacted by increases in National Minimum Wage rates, due to a typical lower hourly rate.
- Flexible working patterns can change employee job profiles from full-time to part-time, whilst retaining the higher hourly pay rates.

### Scotland has the highest median part-time salary of the nations and regions of the UK.

Figure 9: Gross annual pay for part-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

In April 2021, the typical salary for part-time employees in Scotland was £12,000, which is the highest across the UK. The East of England has the lowest at £10,883

The typical part-time salary in Scotland grew by 5.1% in real terms from 2019. London was the only region to see a decrease from 2019, falling by 0.4% in real terms and falling by 5.4% from 2020.

### Typical weekly pay in Scotland

This section looks at weekly pay for all employees in Scotland, broken down by those in full-time and part-time employment, and how these numbers compare to the other regions and nations of the UK.

ASHE analyses for weekly earnings relate to employees on adult rates whose earnings for the survey pay period were not affected by absence. They do not include the earnings of those who did not work a full week, and whose earnings were reduced because of, for example, sickness.

Weekly pay is the main measure used by the ONS.

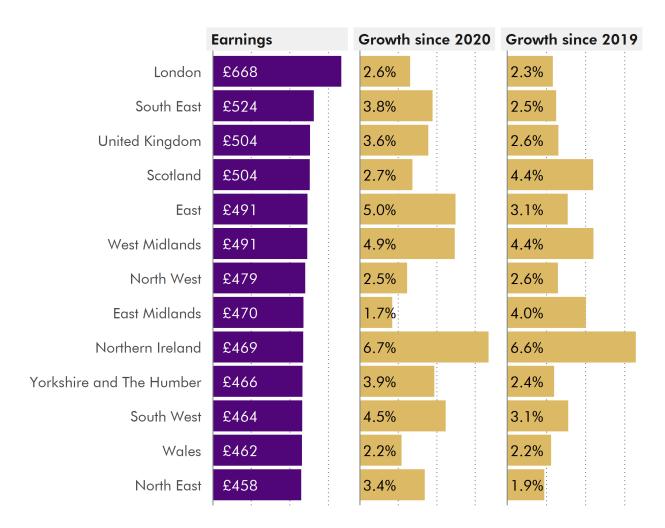
Due to the pandemic the ASHE data for 2020 and 2021 is subject to more uncertainly. We have therefore provided percentage change from 2020 and 2019 as the ONS has recommended focusing on longer term trends. More information can be found in the About the data section.

# What is typical weekly pay for all employees in Scotland?

This section looks at typical weekly pay for all employees in Scotland and across the UK.

## Scotland has the third highest median weekly pay for all employees of the nations and regions of the UK.

Figure 10: Gross weekly pay for all employees and real terms change from 2019 and 2020 across the nations and regions of the UK to 2021



Source: Employee earnings in the UK: 2021

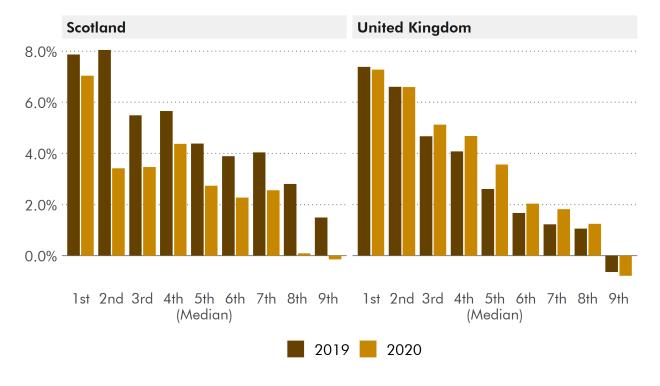
Typical gross weekly pay in Scotland is the same as the UK wide figure of £504. London has the highest weekly pay at £668, while the North East of England has the lowest at £458. Northern Ireland saw the largest real terms increase from 2019, growing by 6.6%.

### Growth in weekly pay for all employees by decile

ASHE provides data on earnings by deciles. The data provides nine points which split the data into 10 equal numbers of employees. For example in Scotland the gross pay for the 1st decile is £163 per week, therefore 10% of employees earn between £0 and £163 per week. The ninth decile point in Scotland is at gross pay of £989 per week, so 10% of employees earn this and above.

### Scotland has seen higher growth across all deciles than the UK overall between 2019 and 2021

Figure 11: Gross weekly pay for all employees and real terms change from 2019 and 2020 for Scotland and the UK to 2021



Source: Employee earnings in the UK: 2021

Scotland saw increases at every decile from 2019 to 2021 and at a higher rate that the UK. In the UK the top decile saw a real terms decrease of 0.6%. The largest increases in Scotland were found in the bottom two deciles, both increasing at around 8%.

We can look at the ratio of the 9th point, or 90th percentile, and the 1st point, or the 10th percentile, to give us an idea of the difference between high and low earners. When looking at this measure, the UK has a higher ratio than Scotland, so the UK has a higher disparity between the lowest and highest earners. In both Scotland and the UK the ratio has fallen between 2020 and 2021, after growing between 2019 and 2020.

Table 1: ratio of 9th decile to 1th decile for Scotland and the UK

	2019	2020	2021
UK	6.66	6.67	6.16
Scotland	6.03	6.08	5.67

Care should be taken when interpreting these figures due to issues with this year's data. You can find out more in this in the "about the data" section of the briefing.

### Ten-year change in weekly pay for all employees

This section looks at typical weekly pay for all employees in Scotland and across the UK and how it has changed over the last ten years. ASHE provides data on earnings by deciles. The data provides nine points which split the data into 10 equal numbers of

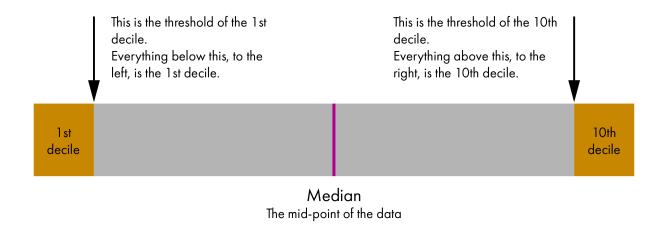
employees.

This section looks at growth for three deciles:

- 1st decile or bottom 10%: This decile identifies the the bottom 10% of employee earnings. For example if the 1st decile is £174 then 10% of employees earn less than this.
- 5th decile or median: This is the point which splits the number of employees in half.
- **9th decile or top 10%:** This decile identifies the top 10% of employee earnings. For example if the 9th decile is £989 then 10% of employees earn more than this.

#### Where the median and thresholds for the 1st and 10th deciles are

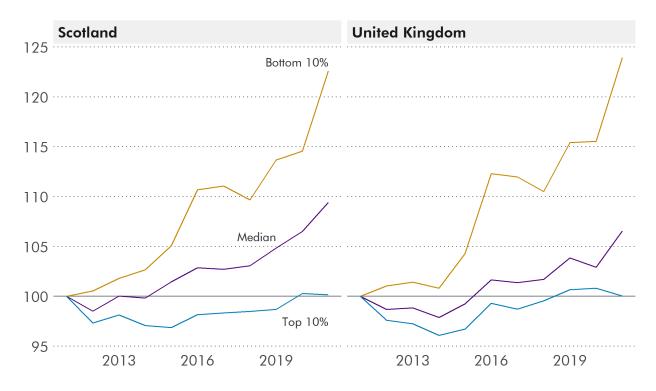
Figure 12: How deciles and the median work



The figures in the section are in real terms based on the CPIH for the April of each year.

## Pay in real terms has increased the most in the bottom 10% while the pay for the top 10% has remained stable

Figure 13: Real term gross weekly pay for all employees in Scotland and the UK, indexed to 2011, for the bottom 10%, median and top 10% - 2011 to 2021



Source: ASHE data from nomis

The threshold for the **bottom 10%** of earnings has increased in Scotland by 23% and across the UK by 24% between 2011 and 2021, in real terms. The two largest increases came between 2015 and 2016 and between 2020 and 2021. The increase between 2015 and 2016 is likely linked to the introduction of the National Living Wage. The increase between 2020 and 2021 is more complicates to explain. It is likely linked to a decrease to the increased uncertainty in the data caused by the pandemic, the impact of furlough and the that lower-paid people were at greater risk of losing their jobs during the pandemic.

In 2011, the pay for the bottom 10% was Scotland was £120 compared to £117 in the UK overall. By 2021 it was £174 in Scotland and £171 for the UK overall.

**Median pay** has increased at a higher rate, in real terms, in Scotland than the UK. Increasing by 11% in Scotland compared to 8% across the UK. In 2011 median pay in Scotland was £389 compared to £400 in the UK overall. Due to the higher growth in Scotland it is now equal to the UK wide figure of £504.

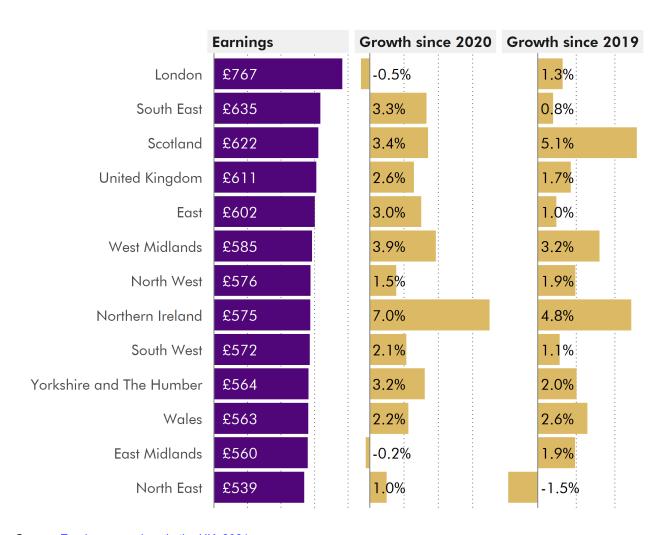
The threshold for the **top 10%** of earnings in real terms Scotland has increased by 0.1% and is unchanged for the UK as a whole. However, the UK figure in 2021 is £1,054 compared to £988 in Scotland

# What is typical weekly pay for full-time employees in Scotland?

This section looks at typical weekly pay for full-time employees in Scotland and across the UK.

## Scotland has the third highest median weekly full-time pay of the nations and regions of the UK.

Figure 14: Gross weekly pay for full-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

Weekly pay for full-time employees in Scotland was the third highest across the nations and regions of the UK, at £622. London has the highest weekly pay at £767, while the North East of England has the lowest at £539.

Growth in wages in Scotland, in real terms, was the highest across the region and nations of the UK between 2019 and 2021. The North East of England was the only area to see a decrease in real terms between 2019 and 2021.

# What is typical weekly pay for part-time employees in Scotland?

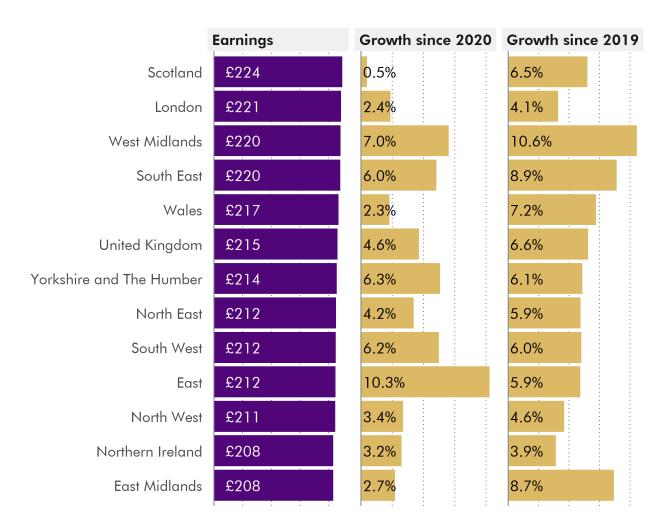
This section looks at typical weekly pay for part-time employees in Scotland and across the UK.

When looking at part-time pay it is important to consider:

- Part-time jobs tend to be more impacted by increases in National Minimum Wage rates, due to a typical lower hourly rate.
- Flexible working patterns can change employee job profiles from full-time to part-time, whilst retaining the higher hourly pay rates.

Scotland has the highest median weekly part-time pay of the nations and regions of the UK.

Figure 15: Gross weekly pay for part-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK to 2021



Source: Employee earnings in the UK: 2021

Scotland has the highest typical part-time weekly pay across the UK, at £224. Northern Ireland and the East Midlands have the lowest at £208.

The West Midlands saw the highest real terms growth between 2019 and 2021 at 8.7%,

while Northern Ireland saw the lowest at 3.9%.

### Typical hourly pay in Scotland?

This section looks at hourly pay, excluding overtime, for all employees in Scotland, broken down by those in full-time and part-time employment, and how these numbers compare to the other regions and nations of the UK.

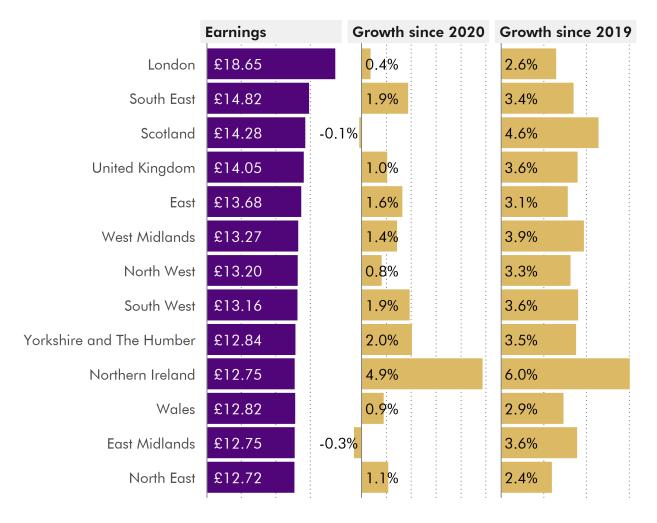
ASHE analyses for hourly earnings relate to employees on adult rates whose earnings for the survey pay period were not affected by absence. They do not include the earnings of those who did not work a full week, and whose earnings were reduced because of, for example, sickness.

# What is typical hourly pay for all employees in Scotland?

This section looks at typical hourly pay for all employees in Scotland and across the UK.

Scotland has the third highest hourly pay excluding overtime for all employees of the nations and regions of the UK.

Figure 16: Hourly pay excluding overtime for all employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

Hourly pay excluding overtime in Scotland is the third highest across the UK at £14.28. London has the highest at £18.65, while the North East of England has the lowest at £12.72

All nations and regions of the UK saw an increase in real terms with Scotland seeing an increase of 4.6%. Northern Ireland saw the largest increase at 6%, while the North East of England saw the smallest increase at 2.4%.

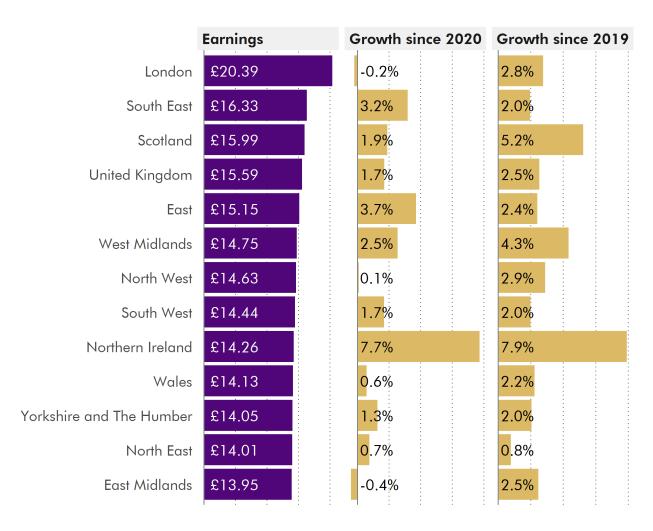
Care should be taken when interpreting these figures due to issues with this year's data. You can find out more in this in the "about the data" section of the briefing.

# What is typical hourly pay for full-time employees in Scotland?

This section looks at typical hourly pay for full-time employees in Scotland and across the UK.

Scotland has the third highest hourly pay excluding overtime for full-time employees of the nations and regions of the UK.

Figure 17: Hourly pay excluding overtime for full-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

Scotland has the third highest median hourly pay excluding for full-time employees across the UK at £15.99. London has the highest at £20.39 while the East Midlands has the lowest at £13.95.

Scotland saw a real terms increase of 5.2% between 2019 and 2021. Northern Ireland saw the highest increase at 7.9% while the North East of England saw the lowest at 0.8%

Care should be taken when interpreting these figures due to issues with this year's data. You can find out more in this in the "about the data" section of the briefing.

# What is typical hourly pay for part-time employees in Scotland?

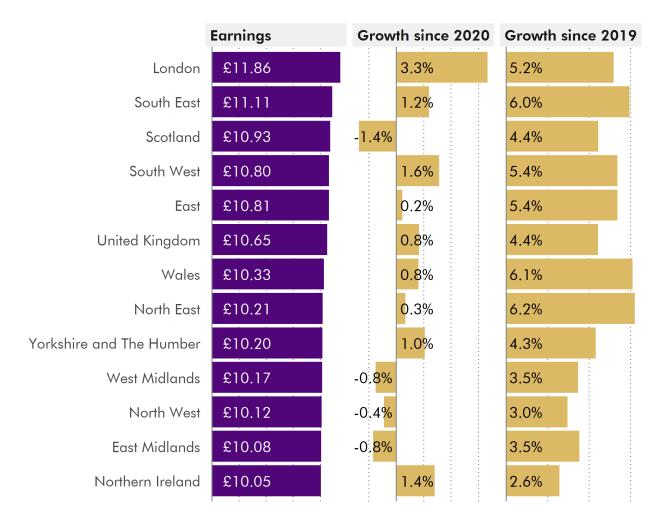
This section looks at typical hourly pay for part-time employees in Scotland and across the UK.

When looking at part-time pay it is important to consider:

- Part-time jobs tend to be more impacted by increases in National Minimum Wage rates, due to a typical lower hourly rate.
- Flexible working patterns can change employee job profiles from full-time to part-time, whilst retaining the higher hourly pay rates.

## Scotland has the third highest hourly pay excluding overtime for part-time employees of the nations and regions of the UK.

Figure 18: Hourly pay excluding overtime for part-time employees and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

Scotland has the third highest median part-time hourly pay excluding overtime at £10.93. London has the highest at £11.86 while Northern Ireland has the lowest at £10.05.

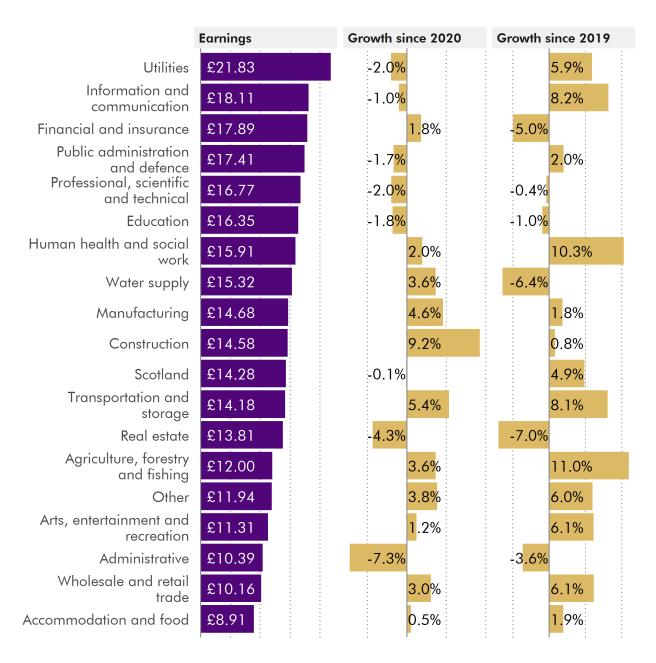
Scotland saw a real terms increase of 4.4% between 2019 and 2021. The North East of England saw the highest increase at 6.2% while Northern Ireland saw the lowest at 2.6%.

### Pay by industry

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

#### The Utilities industry has the highest pay in Scotland

Figure 19: Hourly pay excluding overtime for all employees by industry and real terms change from 2019 and 2020 across the nations and regions of the UK - 2021



Source: Employee earnings in the UK: 2021

<sup>&</sup>quot;Utilities (electricity, gas, steam and air conditioning supply)" is the highest paid industry in Scotland with a median hourly pay, excluding overtime, at £21.83.

<sup>&</sup>quot;Accommodation and food service" has the lowest pay of industries in Scotland, with median pay below the real living wage rate at the time of the survey.

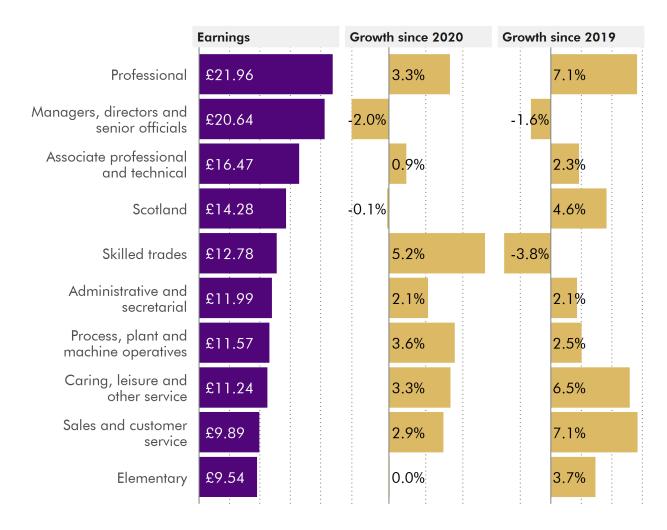
"Agriculture, forestry and fishing" saw the largest real terms increase between 2019 and 2021 at 11.2% in real terms while the "Real estate" saw the largest decrease at 7.2%.

### Pay by occupation

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

### Professional occupations are the highest paid in Scotland

Figure 20: Hourly pay excluding overtime for all employees and real terms change from 2019 by occupation - 2021



Source: Employee earnings in the UK: 2021

"Professional occupations" in Scotland have the highest median hourly pay, excluding overtime, at £21.96. "Elementary occupations" have the lowest pay at £9.54.

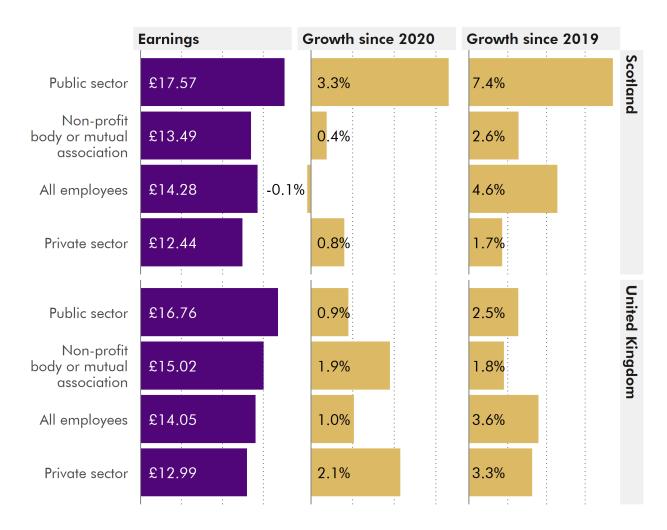
"Professional" and "sales and customer service" occupations saw the largest real terms increase between 2019 and 2021 at 7.1%% while "skilled trades" saw the largest fall at 3.8%.

### Pay by sector

The reasons for the differences in private and public sector pay levels are complex. According to the ONS this is "because of the different jobs and characteristics of the people within each sector". 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.

## The median public sector pay is higher in Scotland than the UK, but the median private sector pay is lower

Figure 21: Hourly pay excluding overtime for all employees and real terms change from 2019 and 2021 by sector- 2021



Source: Employee earnings in the UK: 2021

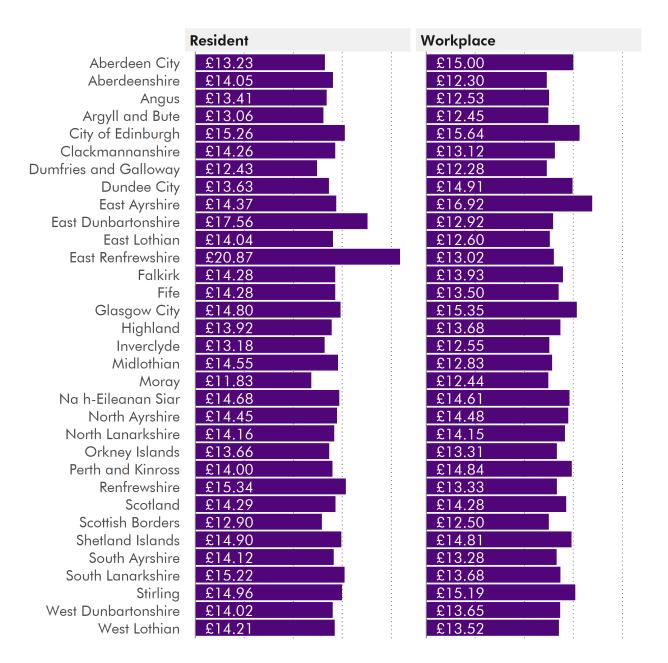
In both Scotland and the UK as a whole, the public sector has a higher median hourly pay, excluding overtime. The public sector in Scotland has a higher median hourly pay that the UK as whole while the private sector the figure is lower in Scotland than the UK as a whole.

### Pay by local authority area

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, to control for different structural differences in local authority economies.

Pay for where people live is higher in commuter areas, while workplace pay is higher in Scotland's cities.

Figure 22: Hourly pay excluding overtime for all employees by local authority for place of residence and place of work- 2021



Source: Employee earnings in the UK: 2021

When looking at median hourly pay excluding overtime for **where people live**, East Renfrewshire has the highest pay at £20.87 per hour, and Moray has the lowest, at £11.83 per hour. Most areas with high pay by this measure tend to have a high number of commuters.

When looking at the median hourly pay excluding overtime for **where people work**, East Ayrshire as the highest pay at £16.92 an hour. Dumfries and Galloway has the lowest at £12.28 an hour. Edinburgh, Glasgow, Stirling and Aberdeen make up the rest of the top five for highest paid work places.

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