

Economy and Employment

Earnings

Produced by the Information, Intelligence and Insight Team, Shropshire Council



December 2017

Key Statistics for Shropshire

Workplace Pay

Per Week

£470.80

Annual

£24,211

Resident Pay

Per Week

£517.20

Annual

£27,259

Key Trends

Shropshire supports a low wage economy, with workplace earnings significantly lower than national or regional averages. This arises from Shropshire's traditional reliance on jobs in low paid sectors, including agriculture, tourism and food and drink. Low wages impact adversely on Shropshire's productivity.

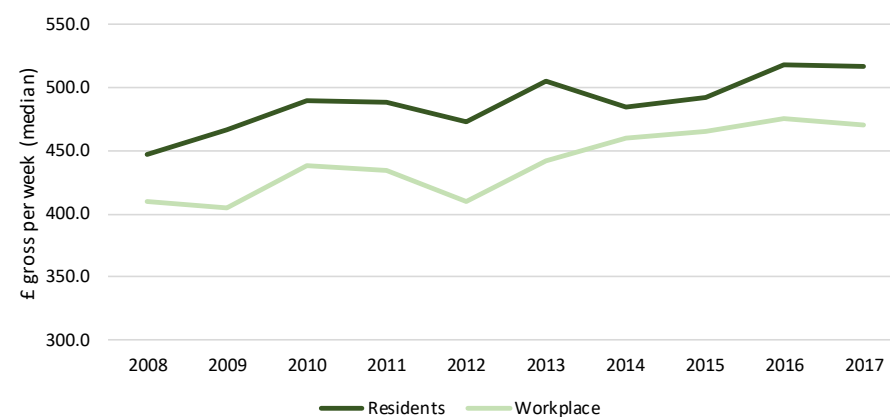
Although workplace earnings are below the average for Great Britain, residents' earnings are more closely aligned to the national average. The differential between workplace and resident earnings is influenced by the high level of out-commuting amongst the top earners and conversely, relatively high levels of in-commuting amongst the lowest paid. This suggests that the high quality of life Shropshire offers (borne out by its natural and historic environment, low levels of deprivation and strong educational and cultural offer) attracts residents who are prepared to travel out of county for better paid jobs elsewhere.

Residents' wages have risen slightly faster than workplace wages in the nine years to 2017 at a Compound Annual Growth Rate of 1.5% compared to 1.4%. This is the equivalent of an additional 0.7% of growth over the period, or £8.60 in total, which averages at less than £1 a week per year.

However, there have been periods when the gap between the two has narrowed, principally in 2010 and between 2014 and 2016.

By 2017, the gap widened once more, and relatively substantially (by £4.30). This means that for every hour a working resident of Shropshire works, a worker employed in the county has to work an additional 7.5 minutes for the same pay.

Trends in Wage Levels in Shropshire, 2008-2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Workplace Earnings – Full-time Employees

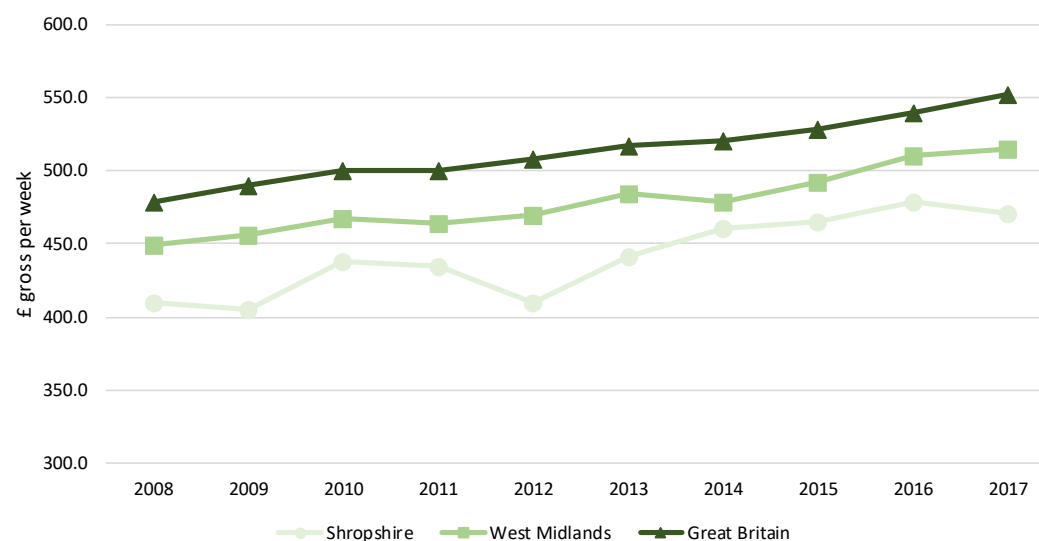
Shropshire workplace earnings stood at £470.80 gross per week for full-time employees in April 2017. This represents a decrease of 1.7% over 2016, or a weekly reduction of £8.30. The annual equivalent wage is £24,725.

Median earnings in Shropshire have been subject to a much higher level of fluctuation than has been the case either regionally or nationally in recent years. The sharp rise recorded in 2010 was followed by a fall in wage levels in 2011 and 2012. Growth was sustained between 2013 and 2016 before falling off once more. Cumulative growth between 2008 and 2017 stood at 14.9% in Shropshire compared with 14.7% in the West Midlands and 15.3% nationally.

Full-time workers in the West Midlands now earn £44.10 per week more than their Shropshire counterparts (9.4% more), while the Great British weekly wage is £81.50 more (17.3% more).

Looking at the time period between 2008 and 2017, earnings growth has fallen below inflation as measured by the CPI. Had wages kept pace inflation, average weekly earnings in Shropshire would be £16.20 per week higher at £487.

Workplace Earnings, 2008-2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Workplace Earnings: Full-Time Employees, 2008-2017

£ per week gross (median)												
	Shropshire			Marches LEP			West Midlands			Great Britain		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
2008	437.5	354.3	409.6	-	-	-	488.7	379.8	448.9	524.2	413.2	479.1
2009	458.1	361.9	404.7	-	-	-	492.8	393.2	456.2	533.7	426.5	489.9
2010	483.2	361.2	437.9	-	-	-	502.1	399.8	467.4	540.4	439.8	500.3
2011	480.0	374.5	434.1	-	-	-	501.6	402.4	464.4	540.6	440.4	500.0
2012	460.1	361.0	410.2	-	-	-	508.1	408.6	469.2	548.3	449.3	507.9
2013	498.7	374.9	441.9	-	-	-	528.1	416.8	484.5	558.6	459.5	517.6
2014	493.9	367.4	460.3	486.8	382.3	448.8	518.9	420.0	479.2	561.2	462.2	520.4
2015	488.0	400.0	465.4	498.2	396.9	464.4	535.8	429.6	492.1	570.0	470.6	528.5
2016	530.5	383.5	479.1	517.8	398.6	473.4	557.4	440.8	509.8	580.4	480.8	540.1
2017	510.2	410.6	470.8	510.0	407.5	473.7	562.0	451.4	514.9	594.1	494.0	552.3

Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Male vs Female Workplace Wages, 2017



Source: Annual Survey of Hours and Earnings, 2016, © Crown Copyright, 2017

Male employees who work full-time in Shropshire command significantly higher earnings than their female counterparts. In April 2017, men earned an average of £510.20 gross per week - £99.60 or 24.2% more than women.

The gap between male and female earnings has narrowed over the last year, with male earnings falling by £20.30, while female wages rose by an average of £27.10 per week. Over the wider 2008 to 2017 period, however, the gender pay gap has remained relatively stable.

Nationally, men earned £100.10 more per week than women in April 2017, which equates with 20.3% more. In the West Midlands, men were paid £110.60 more per week than women – in this case the differential between wage levels is slightly higher than it is nationally, at 24.5% (and almost the same as it is for Shropshire).

Men who work in Shropshire earn 14.1% less than their national counterparts, which equates to £83.90 per week. Meanwhile, women working in Shropshire earn 16.9% less than their national equivalents, which is £83.40 gross per week.

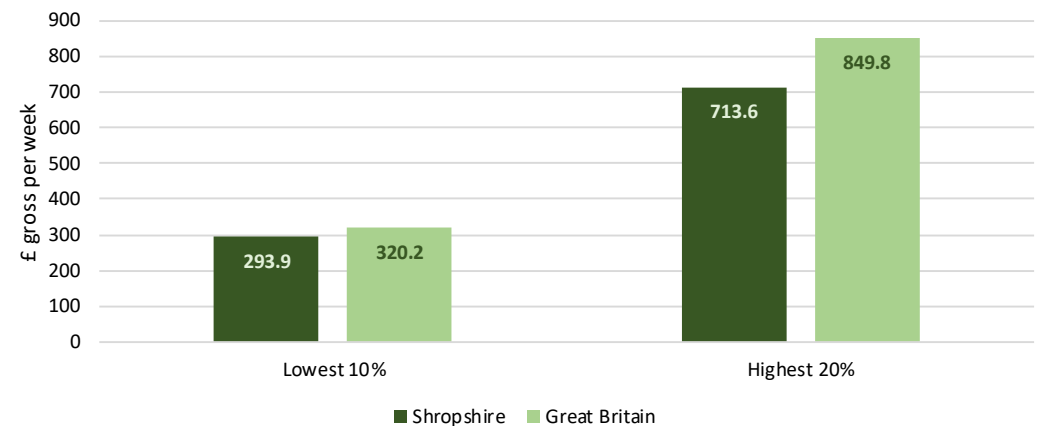
High and Low Earners

The lowest 10% of earners in Shropshire earned below £293.90 per week in April 2017, compared with £320.20 in Great Britain (full-time hours). At the other end of the scale, the 20% highest earners in Shropshire earned more than £713.60 per week, while the 20% highest earners nationally earned more than £849.80.

The difference between national and local wage levels is, therefore, most acute amongst the highest earners. The threshold for the lowest paid 10% of full-time workers is 8.2% lower in Shropshire than it is nationally (£26.30 lower), while the threshold for the top quintile of earners is 16% lower (£136.20 lower).

In the year to April 2017, the pay threshold for the lowest paid 10% in Shropshire rose marginally (+0.9%), while wages for the highest 20% of earners fell by 1.9%. In comparison, national rates rose by 3.4% (lowest 10%) and 2.4% (highest 20%).

Highest and Lowest Workplace Earning Thresholds, 2017



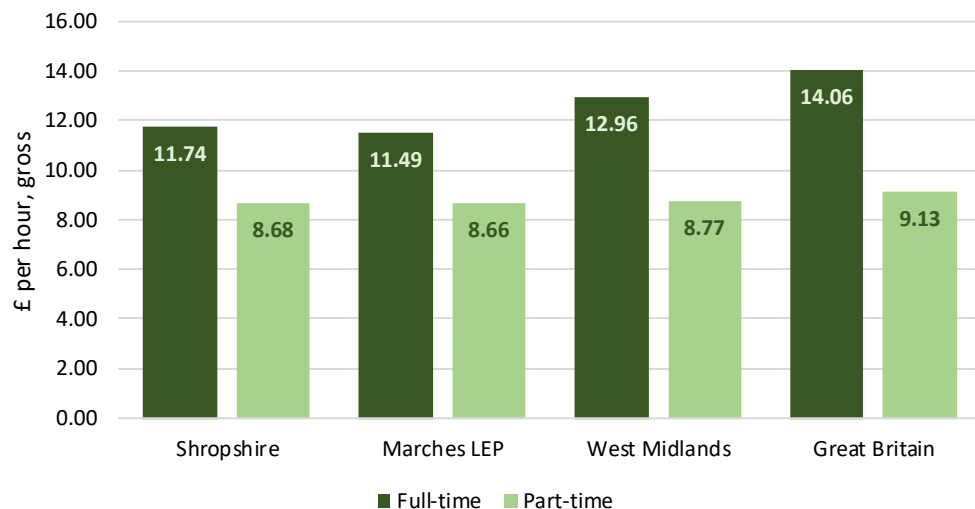
Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Workplace Earnings – Part-time Employees

The differential between part-time earnings in Shropshire compared with the regional and national average is much less pronounced than it is for full-time earnings. In 2017, Shropshire part-time employees were paid £3.90 per week less than their national counterparts (2.1% less). Part-time earnings in Shropshire rose by 16.2% in 2017 (compared to a decline in full-time earnings) and are now 30.5% higher than they were in 2008. Over the 2008 to 2017 period, part-time wages in Shropshire have risen faster than the rate of inflation.

Part-time wages are naturally influenced by the number of hours worked, and in Shropshire, the number of hours worked is comparatively low, at 16.8 on average, compared with 17.5 in the Marches LEP area, 18.8 in the West Midlands and 18.4 in Great Britain.

Full-time and Part-time Hourly Workplace Pay, 2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Workplace Earnings – Part-Time Employees, 2008-2017

	£ per week gross (median)			
	Shropshire	Marches LEP	West Midlands	Great Britain
2008	136.8	-	136.7	146.9
2009	146.0	-	146.6	152.5
2010	151.0	-	151.6	153.8
2011	158.2	-	149.7	153.0
2012	156.8	-	152.6	155.3
2013	164.5	-	157.5	160.0
2014	164.2	157.9	158.9	161.3
2015	163.9	162.1	161.6	166.6
2016	153.6	165.0	173.8	177.4
2017	178.5	174.4	181.9	182.4

Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

The hourly rate for part-time workers in Shropshire is slightly lower than the regional and national rates (£8.68 compared with £8.77 and £9.13).

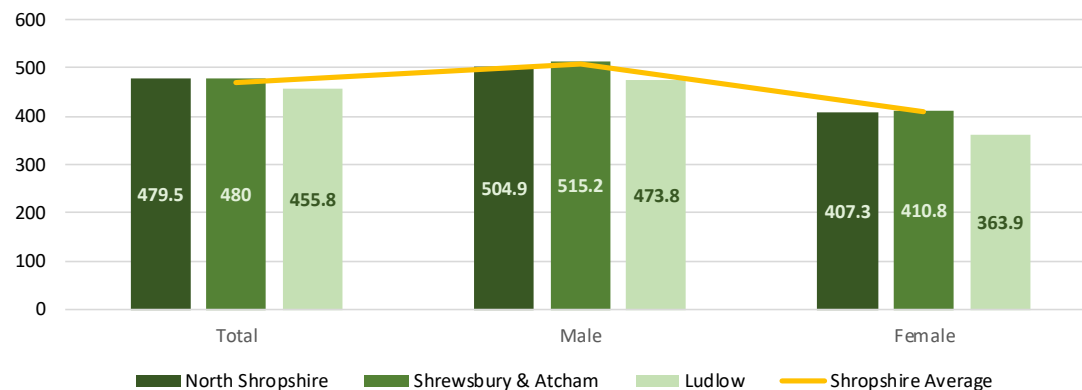
The hourly rate compares unfavourably with the rate per hour commanded by full-time workers, who earned an average of £11.74 in 2017 (£3.06 or 35.3% more). Despite this significant discrepancy, the differential between part-time and full-time hourly earnings is notably less than it is nationally. In Great Britain full-time workers earn on average 54% more than their part-time equivalents.

Workplace Wages – Sub County Wage Levels

Wage rates are available at parliamentary constituency level. These show that earnings are broadly similar in North Shropshire and Shrewsbury and Atcham, at £479.50 and £480.00 gross per week for full-time workers. This is £8.70 and £9.30 higher per week than the Shropshire average. Workplace wages in Ludlow are much lower, at £455.80 per week, which is £15 less per week than the county average.

The differential between male and female earnings is substantial across all three county areas, with men earning 24% more in North Shropshire, 25.4% more in Shrewsbury and Atcham and 30.2% more in Ludlow.

Workplace Wages by Parliamentary Constituency, 2017



Source: Annual Survey of Hours and Earnings, 2017, Crown Copyright 2017

Workplace Wages – Statistical Neighbour Comparison

Median Weekly Workplace Earnings, 2017

	£ gross per week	% higher/lower then Shropshire
Gloucestershire	538.7	14.4%
Wiltshire	524.4	11.4%
Suffolk	502.0	6.6%
Worcestershire	499.5	6.1%
Dorset	497.8	5.7%
Norfolk	493.9	4.9%
Somerset	484.4	2.9%
Devon	483.7	2.7%
Shropshire	470.8	0.0%
Lincolnshire	467.9	-0.6%
Herefordshire	448.4	-4.8%

Source: Annual Survey of Hours and Earnings, 2017, Crown Copyright 2017

In comparison with statistical neighbours, Shropshire workplace wages are low, with only Herefordshire and Lincolnshire having lower median wage levels. Weekly workplace wage levels are 14.4% higher in Gloucestershire compared with Shropshire and 11.4% higher in Wiltshire.

Looking more widely at workplace wages across Great Britain, Shropshire is in the lowest quintile of earning levels of all local authorities across the country.

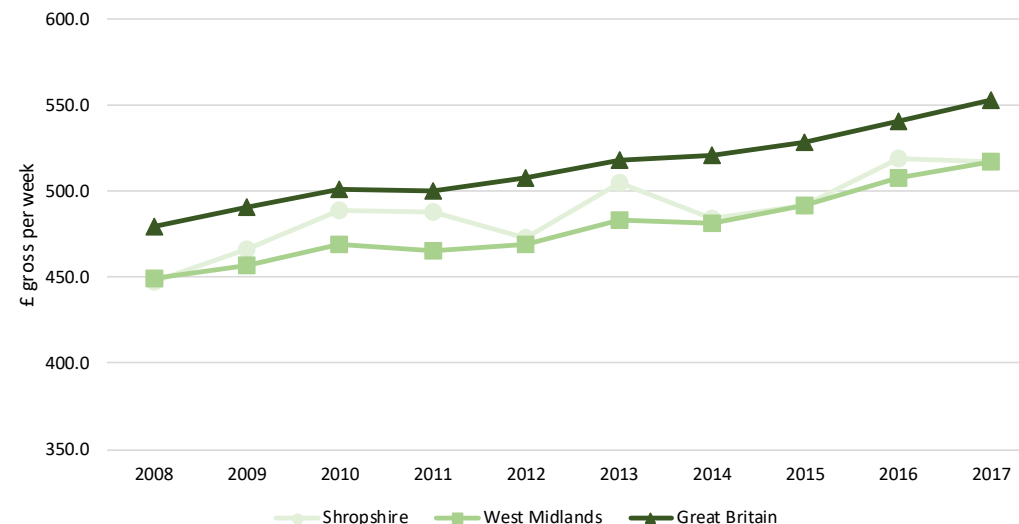
Residents' Earnings

Shropshire resident earnings stood at £517.20 gross per week for full-time employees in April 2017. This represents a decrease of 0.3% over the previous year (a drop of £1.50) and a 15.6% increase since 2008. Resident wages are 9.9%, or £46.40 per week, higher than workplace wages. The annual equivalent wage stands at £27,259.

Resident earnings have grown at a similar pace in Shropshire as they have regionally and nationally over the last nine years (albeit with considerable fluctuations year-on-year). They are now £35.50 lower than the national average (6.4% less) and are on a par with the regional average.

Like workplace wages, resident earnings have failed to keep pace with inflation over the last nine years. Had wage increases been in line with the CPI, weekly earnings would be £14.80 higher, at £532.00.

Resident Earnings, 2008-2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Resident Earnings – Full-Time Employees, 2008-2016

	£ per week gross (median)											
	Shropshire			Marches LEP			West Midlands			Great Britain		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
2008	493.1	385.6	447.4	-	-	-	488.3	380.2	449.8	525.5	413.6	480.0
2009	505.2	390.5	466.7	-	-	-	490.9	394.2	456.8	534.3	426.6	490.5
2010	528.5	402.4	489.4	-	-	-	503.5	401.9	469.2	541.3	440.0	501.7
2011	528.7	402.3	488.0	-	-	-	501.1	402.5	465.2	541.4	440.8	500.2
2012	505.5	406.7	472.8	-	-	-	508.8	412.0	469.3	548.8	449.8	508.3
2013	536.9	439.1	504.7	-	-	-	528.1	420.8	483.0	559.0	459.7	517.9
2014	511.1	416.1	484.3	500.0	386.7	466.3	519.6	421.9	481.2	562.2	462.6	521.1
2015	505.7	447.1	491.9	519.2	401.5	478.9	534.8	431.3	492.1	570.5	470.8	529.0
2016	548.7	447.9	518.7	540.3	420.9	495.6	549.4	443.6	507.6	580.9	481.1	540.9
2017	552.0	461.4	517.2	526.3	430.3	485.8	561.3	454.7	517.4	594.2	494.4	552.7

Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Male vs Female Resident Workplaces, 2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

High and Low Earners

The lowest 10% of earners resident in Shropshire earned below £317.70 per week in April 2017; this is broadly comparable with the Great Britain threshold of £320.60 (£2.90 or 0.9% less). At the other end of the scale, the 20% highest full-time earners resident in Shropshire earn more than £776.10 per week, while the threshold for the 20% highest earners nationally is £850.40. The highest earners nationally, therefore, earn on average £74.30 more per week (9.6%) than their Shropshire counterparts.

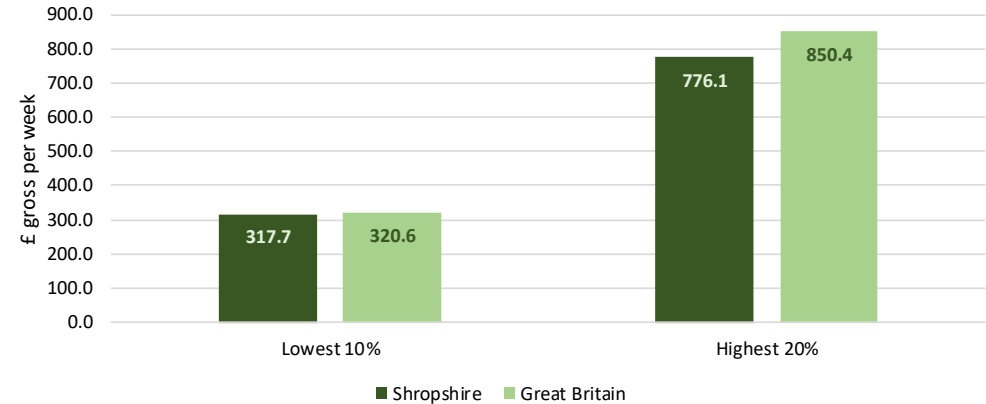
The threshold for the lowest earners resident in Shropshire has risen faster since 2008 than median earnings, at 28.9% (compared with 15.6%). However, the threshold for the highest earners has risen more slowly, at just 8.3%.

Male employees resident in Shropshire command significantly higher earnings than their female counterparts. In April 2017, men earned an average of £552.00 gross per week – more than £90 or 19.6% more than the £461.40 that women earned.

Unlike workplace wages, the gap between male and female earnings has narrowed over the last nine years, although it remains substantial. Between 2008 and 2017, female full-time earnings rose by 20.4% while male earnings were subject to a rise of 11.9%. The difference between what men and women earn is less stark than it is according to workplace wages, with male resident workers earning on average 18.9% more than their female counterparts.

A similar differential between male and female earnings is also in evidence regionally and nationally, with men earning 20.2% more than women in Great Britain, 23.4% more in the West Midlands and 24.7% more in the Marches LEP area.

Highest and Lowest Resident Earning Thresholds, 2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Resident Earnings – Part-time Employees

While full time median resident earnings are lower than the national average, part-time earnings are on a par and in 2017 were even slightly higher. Part-time workers were paid a median average of £183.50 gross per week in April 2017 – £0.80 per week higher than the Great Britain average and £2.00 more than the West Midlands average. Part-time wages rose by £13.60 per week in 2017 (+8%) and are now 34.2% higher than they were in 2008.

Unlike full-time earnings, therefore, part-time wage growth in Shropshire has out-stripped inflation.

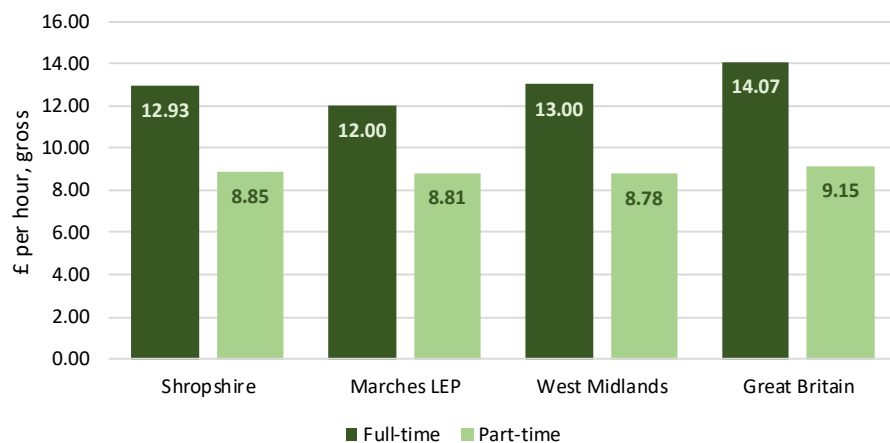
In 2017, Shropshire residents working part-time worked slightly fewer hours than their national counterparts (18.7 hours compared with 19.0). The number of hours worked increased from 17 in 2016, and this increase explains the rise in part-time wages over the last year.

Resident Earnings – Part-Time Employees, 2008-2017

	£ per week gross (median)			
	Shropshire	Marches LEP	West Midlands	Great Britain
2008	136.7	-	139.9	147.5
2009	165.3	-	148.9	153.0
2010	161.8	-	154.2	154.6
2011	164.4	-	150.0	153.6
2012	155.9	-	153.6	155.7
2013	163.6	-	160.0	160.2
2014	172.5	161.0	161.0	161.7
2015	178.8	160.7	161.9	166.8
2016	169.9	167.9	174.8	177.9
2017	183.5	177.3	181.5	182.7

Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Full-time and Part-time Resident Hourly Pay, 2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

The hourly rate (median) for part time resident workers in Shropshire is marginally lower than the Great Britain average (£8.85 per hour compared with £9.15) but is slightly higher than the hourly rate for the West Midlands (£8.78).

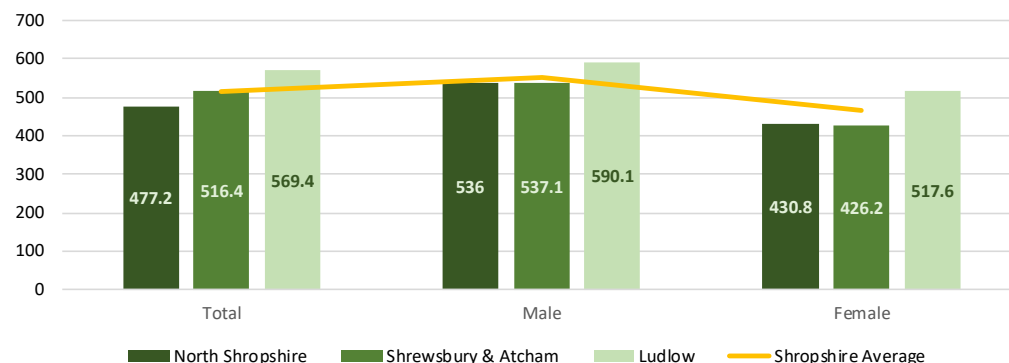
Full-time hourly pay for Shropshire residents is £12.93 – 8.1% lower than the national average, but 46.1% higher than the median rate earned by part-timers. In comparison with workplace wages, the hourly rate for resident full-time workers is £1.19, or 10.1% higher. For residents working part-time, however, the difference is much less acute, with earnings just 2%, or £0.17 more per hour compared to the part-time workplace median.

Resident Wages – Sub County Wage Levels

Wage rates at parliamentary constituency level show that resident earnings are broadly similar in Shrewsbury and Atcham, at £516.40 gross per week for full-time workers, as they are within Shropshire as a whole (£517.20). Resident wages in Ludlow are much higher, at £569.40 per week, which is £52.20 more per week than the county average (10.1% more). In contrast, resident wages in North Shropshire are notably lower, at £477.20 per week (7.7% or £40 per week lower).

The differential between male and female earnings is substantial across all three county areas, although the difference is less pronounced in Ludlow, where men earn 14% more than women. This compares with 24.4% more in North Shropshire and 26.0% in Shrewsbury and Atcham.

Resident Wages by Parliamentary Constituency, 2017



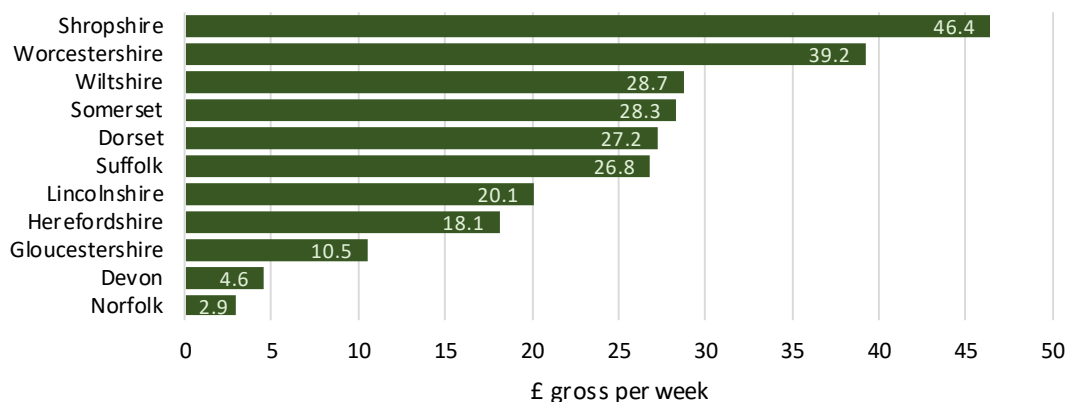
Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Resident Wages – Statistical Neighbour Comparison

Compared with workplace wages, Shropshire performs relatively better compared with its statistical neighbours with regard to resident wage levels. Suffolk, Wiltshire, Worcestershire and Gloucestershire all achieve higher wage levels, while resident wages in Somerset, Norfolk, Devon, Lincolnshire and Herefordshire are lower. Resident wages in Herefordshire are almost 10% lower than they are in Shropshire, at £466.50 gross per week. Resident wages exceed workplace wages across all of Shropshire's statistical neighbour local authorities albeit only marginally in Norfolk and Devon (by £2.90 and £4.60 respectively). In Shropshire, though, the discrepancy between resident worker earnings and workplace earnings is substantial, at £46.40. This is a difference of more than £7 more per week than the second ranked local authority (Worcestershire).

Although the difference between workplace and residents wages in Shropshire is substantial, the gap has narrowed from a high of £62.80 in 2013. A decline in resident earnings in 2014 alongside a rise in workplace earnings meant that the gap reduced to £24, but the differential had widened again by 2016 and expanded still further in 2017.

Difference between Resident and Workplace Wages, 2017

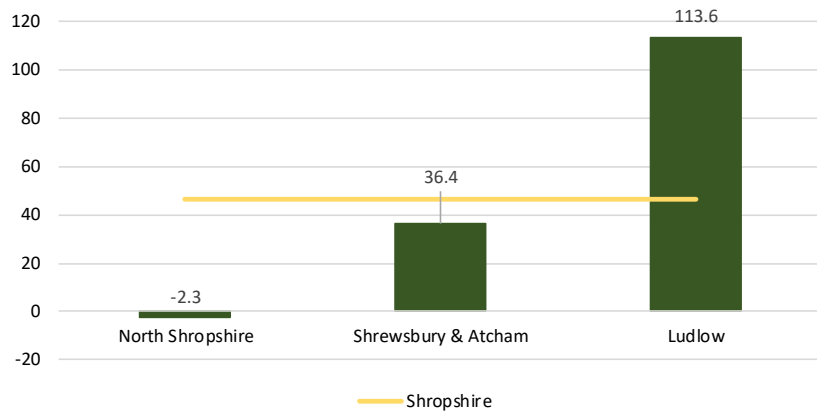


Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

Median Weekly Resident Earnings, 2017

	£ gross per week	% higher/lower than Shropshire
Wiltshire	553.1	6.9%
Gloucestershire	549.2	6.2%
Worcestershire	538.7	4.2%
Suffolk	528.8	2.2%
Dorset	525.0	1.5%
Shropshire	517.2	0.0%
Somerset	512.7	-0.9%
Norfolk	496.8	-3.9%
Devon	488.3	-5.6%
Lincolnshire	488.0	-6.6%
Herefordshire	466.5	-9.8%

Difference between Resident and Workplace wages by Parliamentary Constituency, 2017



Source: Annual Survey of Hours and Earnings, 2017, © Crown Copyright, 2017

The difference between residents and workplace wages is far from uniform across Shropshire, with workplace wages exceeding residents pay in North Shropshire (albeit by just £2.30 a week). In contrast, workers who live in the Ludlow constituency but who may work elsewhere earn on average £113.60 more than workers who are employed in the area (but who may live elsewhere). The discrepancy between resident and workplace wages in Shrewsbury and Atcham is closer to the Shropshire average at £36.40.

Self-Employment

The Annual Survey of Hours and Earnings (ASHE) does not cover the self-employed, and there is very limited local data relating to earnings levels of the self-employed. Self-employment accounts for a significant proportion of the Shropshire labour market (14% of residents aged 16-64 in employment were self-employed according to the Annual Population Survey, year ending June 2017).

The Department for Business, Innovation and Skills published a report in February 2016 entitled *The Income of the Self-Employed* which considers the findings of the Family Resources Survey. This suggests that nationally, the self-employed earn somewhere between half and two thirds of the median earnings of employees.

Estimated median annual earnings from self-employment and from employment (2013/14 prices)

	All self-employed	All employees	Self-employed earnings as % of employee earnings
2007/08	14,535	22,521	64.5%
2008/09	14,315	22,392	63.9%
2009/10	13,206	22,322	59.2%
2010/11	12,219	21,578	56.6%
2011/12	12,752	20,357	62.6%
2012/13	11,121	20,595	54.0%
2013/14	10,800	20,000	54.0%

Source: Family Resources Survey (DWP)

About The Annual Survey of Earnings and Income

- *The Annual Survey of Hours and Earnings (ASHE) is based on a one per cent sample of employee jobs taken from HM Revenue & Customs (HMRC) PAYE records. Information on earnings and hours is obtained from employers and treated confidentially. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. In 2011 information related to the pay period which included 13 April.*
- *The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50 per cent of employees fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.*
- *The earnings information presented relates to gross pay before tax, National Insurance or other deductions, and excludes payments in kind. With the exception of annual earnings, the results are restricted to earnings relating to the survey pay period and so exclude payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded.*
- *As the survey is based on a sample, the data is less reliable at smaller geographies. This means that there is a greater margin of error for the Shropshire data than for the West Midlands or Great Britain. The Confidence Interval for Workplace Earnings in Shropshire (for full-time employees) was +/- 3.8% while for Resident Earnings it was +/- 4.7%.*

This publication was produced by Shropshire Council's **Information, Intelligence and Insight Team**.

For more information, please contact commissioning.support@shropshire.gov.uk or visit <http://new.shropshire.gov.uk/information-intelligence-and-insight>