

ANNUAL SURVEY OF HOURS AND EARNINGS NOVEMBER 2007

The first release of the Annual Survey of Hours and Earnings 2007 (ASHE) was published by the Office for National Statistics on the 7th of November. Further tables are scheduled for release in December and January.

ASHE 'provides information about the levels, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions'. Since the previous year's survey, ONS has had to cut the sample size by a fifth and, as a result, many of the figures, primarily at district level, are unreliable.

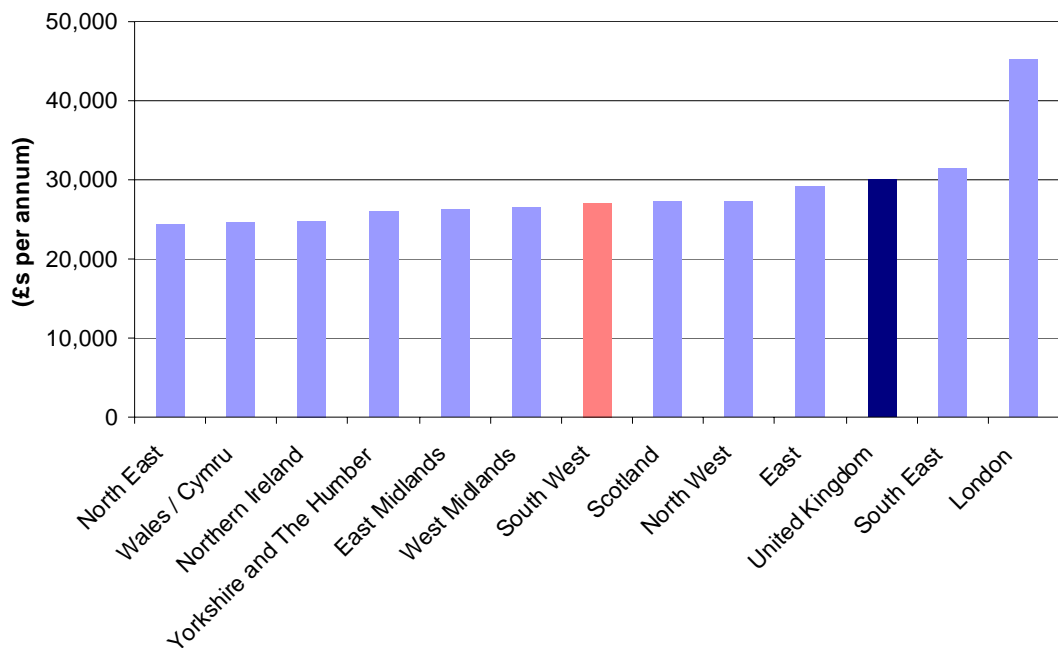
OUR PARTNERSHIPS



REGIONAL COMPARISONS

An average full-time worker in the South West (SW) had an annual salary of £27,046 in 2007, which is ranked 6th highest out of the 12 UK regions and Devolved Administrations – see Figure 1. This is below the UK average of £29,999 but the figure is skewed by high average earnings in London (£45,274 p.a.) and to a lesser extent the South East (£31,462 p.a.). The South West belonged to a group of five other regions which had average annual earnings within a range of approximately £1,000 of each other.

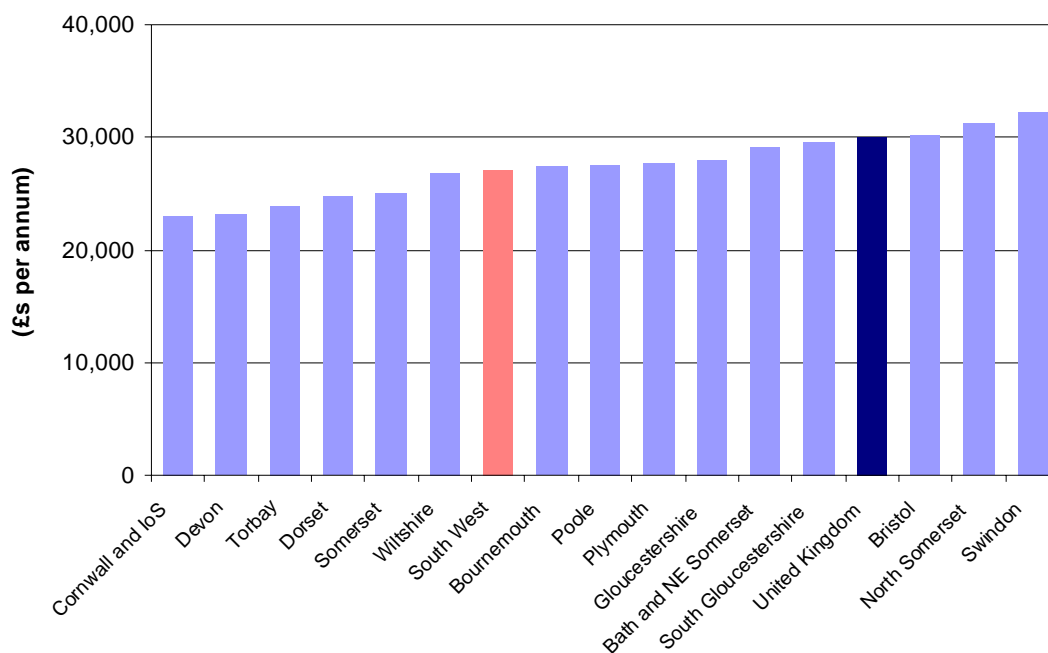
Figure 1: Average gross annual workplace full-time earnings



The average annual earnings for SW residents is around £500 higher than that of workers. This implies that a higher proportion of SW residents commute out of the region to higher paid jobs. This is particularly true of the North East of the region, where residents are likely to be attracted by relatively easily accessible jobs in London and the greater South East. Consequently residence-based earnings are ranked higher at 4th behind London, the South East and the East of England.

SUB-REGIONAL COMPARISONS

Only full-time workers in West Somerset, Swindon, North Somerset and the City of Bristol have higher average annual wages than the skewed UK average (see figure 2) - their expected earnings are £36,246, £32,258, £31,162 and £30,233, respectively. Other areas with high earnings relative to the SW average include districts in the north of the region and urban areas. Areas lagging behind the UK average, and pulling the SW average down, include remote areas of Devon and Cornwall with average earnings falling short of the UK average by almost £8,000 per annum. Workers in Torridge, Kerrier and West Devon earn average salaries of £20,020, £19,777 and £19,382 respectively.

Figure 2: Average gross annual full-time workplace earnings

A look at residence-based earnings reveals a larger number of districts above the SW average (£27,589) relative to workplace earnings, which again points to net outbound commuting patterns. These areas tend to be within commuting distance of urban areas but are generally more remote themselves. For instance, South Hams, a district bordering on Plymouth, has average residence-based earnings of £31,585 p.a. (compared to worker earnings of £22,439 p.a.), and residents in East Dorset, a district in the vicinity of Bournemouth and Poole, on average earn £31,443 p.a. (compared to worker earnings of £25,141 p.a.). Bristol and Swindon, which have higher than average worker earnings, fall behind the UK average when using the residence measure, suggesting that higher-earning workers tend to live outside of these cities in more affluent, attractive, rural areas, and commute into these urban centres for work.

The 2 maps below (Figure 3&4) illustrate that there is a definite shift eastwards of worker earnings. For example residents in Cornwall commute to Plymouth, residents in Dorset commute to the South East, residents from Somerset commute to Bristol and residents in Wiltshire commute to Swindon.

Figure 3

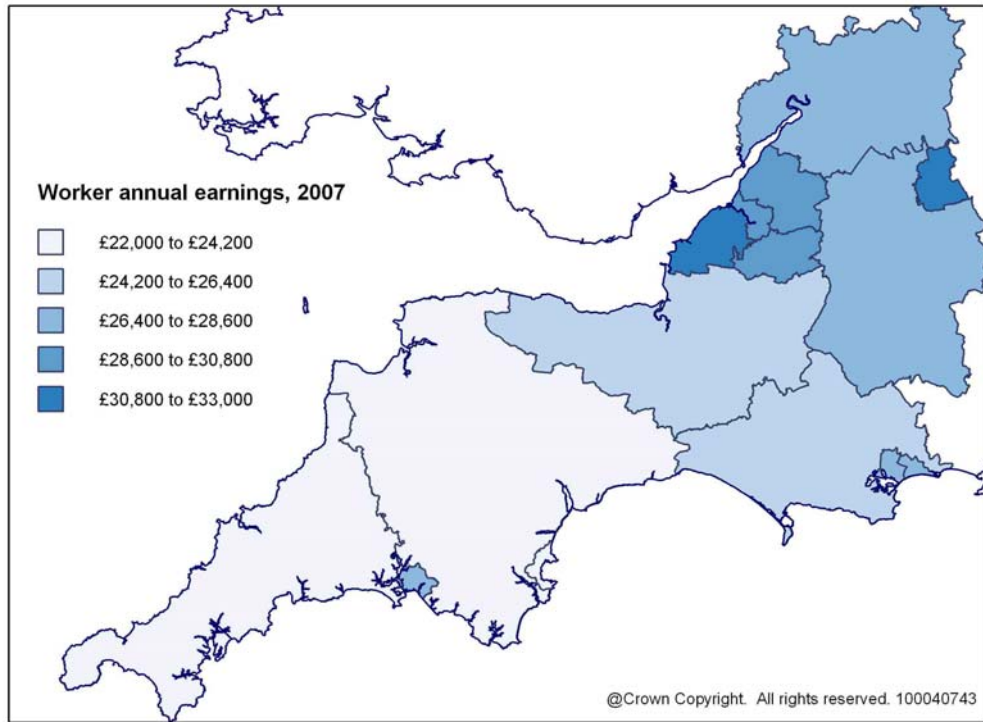
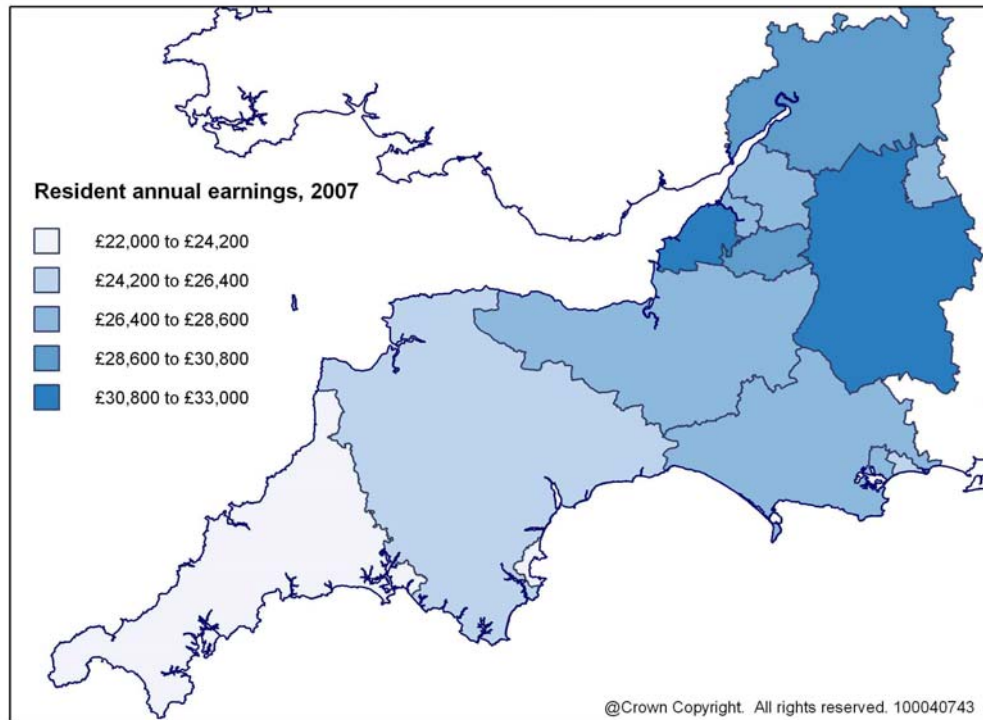


Figure 4



GENDER COMPARISONS

Male annual full-time average workplace earnings rose by 3.8% in the United Kingdom between 2006 and 2007, which is over double the rate by which female earnings grew over same period. Also, the average UK male working full-time earns almost £10,000 more than a female. In the South West however, average annual wages of males and females grew at similar rates, and the gap between male and female earnings is smaller – approximately £7,500p.a. Both male and female SW earnings are, however, well below the UK average.

In 2007, Christchurch in Dorset had one of the largest gaps between male and female average annual earnings of all UK districts outside of London. The difference is £17,148 which is over £9,000 above the UK average level of disparity. Other areas with large gaps include Purbeck (£13,941), North Somerset (£12,796) and Forest of Dean (£12,364). The disparities are much lower in Devon and Cornwall and the Isles of Scilly, where the average gap in wages is around £4,000. West Devon is one of only seven districts in the UK where female average earnings are higher than male average earnings. At this stage it is important to re-raise the issue of unreliability which is particularly applicable to this dataset, and thus these conclusions should be approached with caution.

TRENDS OVER TIME

Since 2003, UK earnings have grown by a marginally faster rate than SW earnings - it has grown by 3.8% per annum, compared to the SW's rate of 3.3%. This has increased the gap in average annual earnings from £2,103 to £2,953.

At a sub-regional level, county/district's average annual earnings have grown at varying levels. However, generally the areas with the highest earnings have maintained high earnings, while the areas struggling to compete with the national average have continued to have low earnings. Swindon had the 2nd highest SW earnings in 2004, the highest in 2005 and 2006, and the 2nd highest this year. Other areas that have had high relative earnings over the last five years include South Gloucestershire, North Wiltshire and Bristol (all in the north of the region). Remote areas of Devon and Cornwall have tended to have the lowest earnings consistently since 2003; primarily Penwith, Torrridge, Mid and West Devon and Kerrier.

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