

Statistical bulletin

Low and high pay in the UK: 2021

The distribution of hourly earnings of high-paid and low-paid jobs and jobs paid below the National Minimum Wage.



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1 . Other pages in this release

Commentary on topics covered in the Annual Survey of Hours and Earnings (ASHE) is split between three separate bulletins. The other two can be found on the following pages:

- [Employee earnings in the UK \(from Annual Survey of Hours and Earnings\): 2021](#)
- [Gender pay gap in the UK: 2021](#)

2 . Main points April 2021

- Interpreting average earnings data is difficult at the moment; in July we published a [blog](#): How COVID-19 has impacted the Average Weekly Earnings data, which explains the complexities of interpreting earnings data in the current climate; compositional and base effects are likely to affect the growth rates, as the data for April 2020 was affected by both the coronavirus (COVID-19) pandemic, in terms of wages and hours worked in the economy, and also disruption to the collection of data from businesses; this means that comparisons with 2020 need to be treated with caution, and we would encourage users to focus on long-term trends rather than year-on-year changes.
- The proportion of low-paid employee jobs (based on hourly pay) fell to 14.2% in 2021 which is the lowest since the series began in 1997, with the proportion of high-paid employee jobs falling 0.7 percentage points on-the-year to 24.5% in 2021.
- Hourly pay among the bottom fifth and 10th percentiles for full-time and part-time jobs have all increased by more than 5% compared with 2020; however, hourly pay among the bottom fifth percentile of part-time jobs is still down 6.7% compared with 2019, with no other percentiles experiencing a fall in pay in 2021 compared with 2019.
- The proportion of employees on furlough with reduced pay has decreased across all deciles between 2020 and 2021; however, more than a quarter of those in the lowest decile are still on furlough with reduced pay in 2021.
- The lowest-earning employees tend to be part-time, younger (aged between 16 and 21 years), in the elementary occupations or in the accommodation and food service industry.
- The highest-earning employees are concentrated in the managerial and professional occupations, aged between 35 and 49 years or work in the information and communication or finance and insurance service industries.
- The number of jobs paid below the National Minimum Wage and National Living Wage almost halved over the year to 1,084,000 (3.8%) employee jobs, due in part to the reduction in the number of people on furlough with reduced pay, but is still more than 2.5 times higher than the pre-coronavirus pandemic level with 3.7 million employees still on furlough.

Statistics in this bulletin relate to the pay period that includes 21 April 2021, at which time [approximately 3.7 million employees were furloughed](#) under the Coronavirus Job Retention Scheme (CJRS); pay estimates include furloughed employees and are based on actual payments made to the employee from company payrolls and the hours on which this pay was calculated, which in the case of furloughed employees are their usual hours (as included in the CJRS claim).

3 . Low- and high-paid employee jobs

Figure 1: The proportion of low-paid employee jobs for hourly pay and gross weekly pay fell to record lows of 14.2% and 25.5% respectively in 2021

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2021

Figure 1: The proportion of low-paid employee jobs for hourly pay and gross weekly pay fell to record lows of 14.2% and 25.5% respectively in 2021

Proportion of high- and low-paid employee jobs for hourly pay and gross weekly pay, whole economy, UK, 1997 to 2021



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

Notes:

1. Estimates for 2021 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
3. Low pay is defined as the value that is two-thirds of median hourly earnings and high pay is defined as the value that is 1.5 times median hourly earnings.

In 2021, 14.2% of all employee jobs were low paid (were paid less than two-thirds of median hourly pay), when considered in terms of hourly earnings. This was the lowest proportion of low-paid employee jobs by hourly pay since the series began in 1997, which coincides with recent increases in the [National Minimum Wage \(NMW\)](#) and [National Living Wage \(NLW\)](#) rates. This also coincides with the additional increase in the NMW for those aged 23 and 24 years, who join those aged 25 years and over in receiving the NLW in 2021.

When considered in terms of weekly pay, the proportion of low-paid jobs has fallen slowly in recent years and in 2021 decreased to 25.5%, which is the lowest on record.

High-paid employee jobs (those earning more than 1.5 times the median) for hourly and weekly pay, have decreased by 0.7 and 0.9 percentage points respectively since 2020, averaging approximately a quarter of all employee jobs across both the hourly and weekly pay series.

[Definitions of low and high pay](#) are based on those used by the Organisation for Economic Co-operation and Development (OECD) in which low pay is defined as below two-thirds of median hourly earnings and high pay is defined as more than 1.5 times median hourly earnings. See [Glossary](#) for details. In 2021, low pay is defined as those earning below £9.40 and high pay is defined as those earning more than £21.15.

2020 and 2021 estimates are subject to some more uncertainty than usual as a result of the challenges we faced in collecting the data under government-imposed public health restrictions and falling response rates since the start of the pandemic. More information is provided in the Measuring the data section of this bulletin.

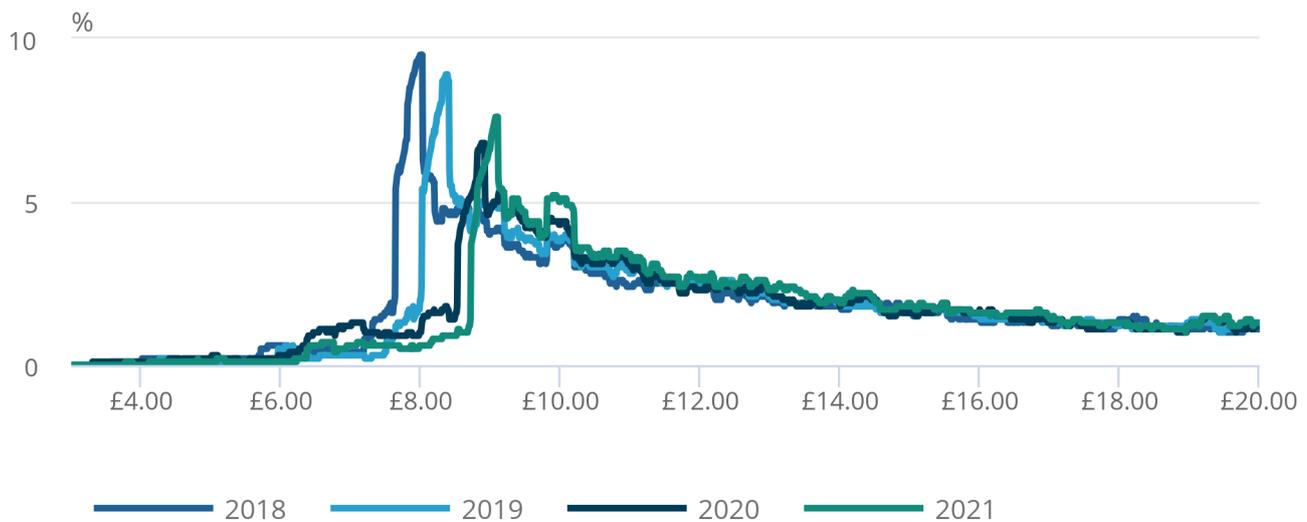
4 . Distribution of pay

Figure 2: The profile of hourly earnings in 2021 is slowly returning to its pre-coronavirus distribution

Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2021, UK (proportion of jobs within plus or minus 20 pence of shown pay rate)

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Distribution of hourly earnings (excluding overtime) for all employees, from 2018 to 2021, UK (proportion of jobs within plus or minus 20 pence of shown pay rate)



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

Notes:

1. Estimates for 2021 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.

There is a large concentration of jobs paid within 20 pence of the National Minimum Wage (NMW) each year, but in 2020 and 2021 the peak is less pronounced. There is an additional, smaller, peak at approximately 80% of the minimum wage rate in 2020, which is attributed to [furloughing under the Coronavirus Job Retention Scheme \(CJRS\)](#) which was in operation. This additional peak is still present in 2021, however it is less pronounced because of the decrease in the number of employees on furlough with reduced pay (Figure 3).

Further up the pay distribution, the pattern for 2021 looks to becoming more in line with both 2018 and 2019, highlighting that higher-paid workers were impacted much less by the coronavirus (COVID-19) pandemic. This includes a peak around the £10 mark which has increased year-on-year. This is likely attributed to employers choosing to pay employees £10 per hour and increases each year to the NMW (£8.91 for those aged 23 years and over in 2021) and real living wage (£9.50 in 2021 and £10.85 for London workers) which are increasing towards £10.

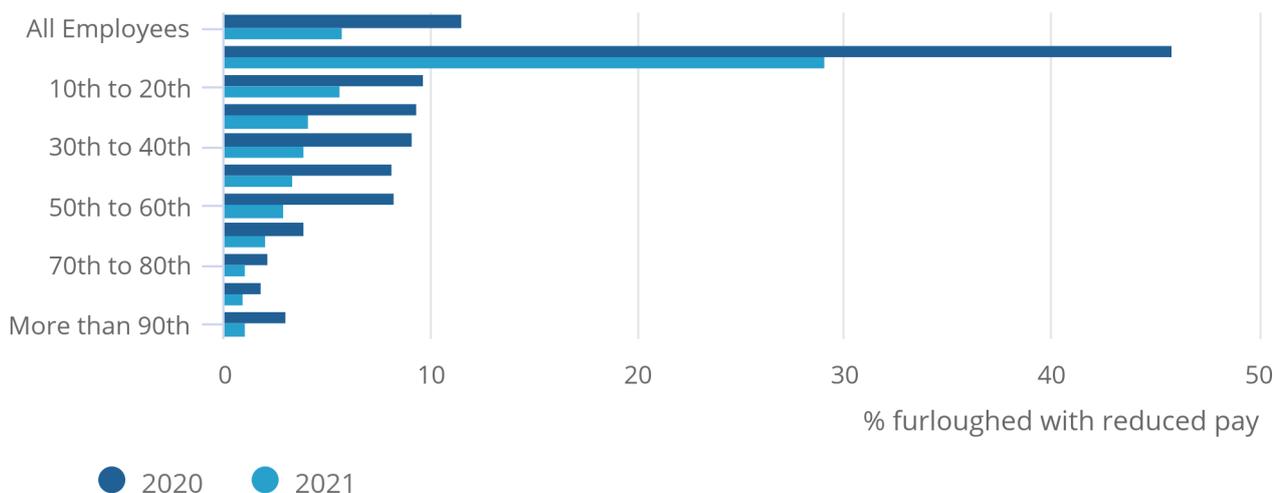
5 . Who are the people most impacted?

Figure 3: The proportion of employees on furlough with reduced pay has decreased across all deciles, with more than a quarter of those in the lowest decile still on furlough with reduced pay

Proportion of employees in Annual Survey of Hours and Earnings who were furloughed with reduced pay, within hourly pay (excluding overtime) deciles, 2020 and 2021, UK

Figure 3: The proportion of employees on furlough with reduced pay has decreased across all deciles, with more than a quarter of those in the lowest decile still on furlough with reduced pay

Proportion of employees in Annual Survey of Hours and Earnings who were furloughed with reduced pay, within hourly pay (excluding overtime) deciles, 2020 and 2021, UK



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

Notes:

1. Estimates for 2021 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.

The Annual Survey of Hours and Earnings (ASHE) collects information from employers about pay, hours and aspects such as whether pay was reduced because of absence. This information has been supplemented in 2020 by detail of whether employee jobs were furloughed on 22 April 2020, drawn from the Coronavirus Jobs Retention Scheme (CJRS), which resulted in the furlough estimates for 2020 ASHE showing an undercount of approximately 20% against the CJRS. However, in 2021 the survey asked employers whether an employee was on furlough during the pay period of 21 April 2021 and was not supplemented by official CJRS data. Therefore, estimates of furlough in 2020 and 2021 will be on a slightly different basis.

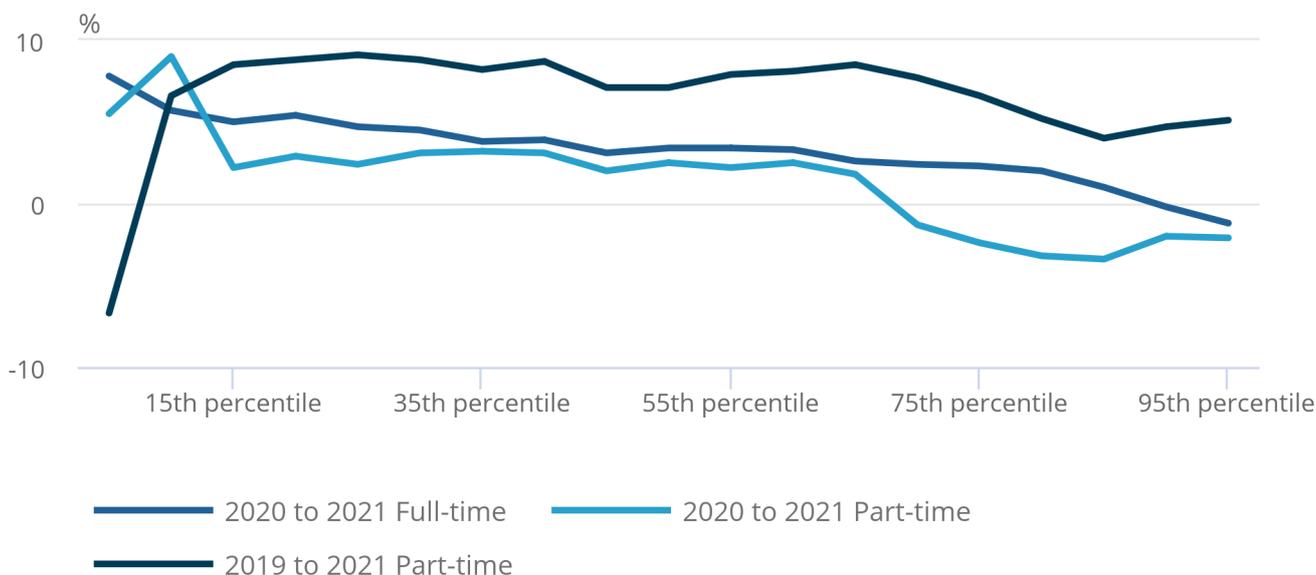
Almost 30% of employees earning less than £9.02 an hour (therefore in the bottom decile of hourly pay excluding overtime) in 2021 were furloughed and receiving reduced pay. This is a decrease of 16.8 percentage points compared with the same bottom decile (equivalent to less than £8.72 an hour) in 2020. This reduction is mirrored across deciles, with all deciles seeing a reduction in the proportion of employees furloughed and receiving reduced pay. Overall, for all employees, the proportion of employees furloughed and receiving reduced pay decreased on the year by 5.8 percentage points to 5.8% in 2021.

Figure 4: Average hourly pay in 2021 has increased on the year for the lowest-paying part-time jobs, but is still below pre-coronavirus levels

Year-on-year percentage change to the distribution of full-time and part-time hourly earnings (excluding overtime) for every fifth percentile, UK, 2019 to 2021

Figure 4: Average hourly pay in 2021 has increased on the year for the lowest-paying part-time jobs, but is still below pre-coronavirus levels

Year-on-year percentage change to the distribution of full-time and part-time hourly earnings (excluding overtime) for every fifth percentile, UK, 2019 to 2021



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

Notes:

1. Estimates for 2021 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
3. Full-time is defined as employees working more than 30 paid hours per week (or 25 or more for the teaching professions).

The average hourly pay (excluding overtime) of the lowest paying full-time and part-time jobs (fifth and 10th percentiles) have both seen large percentage increases in 2021. Full-time jobs are up 7.8% and 5.7% respectively and part-time jobs are up 5.5% and 9.0% respectively for the fifth and 10th percentiles. However, this increase is not enough to offset the large decrease of 11.5% for part-time employees in the fifth percentile between 2019 and 2020, with the average hourly pay of the lowest part-time employees seeing a 6.7% decrease between 2019 and 2021.

The highest paying full-time (from the 90th percentile upwards) and highest paying part-time jobs (from the 70th percentile upwards) have seen a decrease in hourly pay growth between 2020 and 2021. This follows on from strong positive growth between 2019 and 2020, resulting in modest increases in the two-year growth rates between 2019 and 2021.

There has been an increase across the rest of the distribution when comparing latest figures to 2020 and to pre-coronavirus pandemic figures in 2019.

Figure 5: Low-paid employees tend to be part-time, younger, in elementary occupations and the accommodation and food service industry

Low-paid employees, high-paid employees and middle-paid employees broken down various characteristics, 2021

Notes:

1. Estimates for 2021 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence unless furloughed.
3. Low pay is defined as the value that is two-thirds of median hourly earnings and high pay is defined as the value that is 1.5 times median hourly earnings.

[Download the data](#)

Types of people who are low-paid and high-paid

The employees who were low-paid (that is paid less than two-thirds of median hourly pay) had a different makeup compared with those who were high-paid (paid more than 1.5 times the median).

The proportion of employees who were low-paid were highest for elementary occupations (44.7%), those working in the accommodation and food service industry (63.3%), young workers aged 16 to 21 years (58.8%) or those working in Northern Ireland and East Midlands (19.2% and 17.7%). Similarly, women were more likely to be low paid than men (17.1% versus 11.3%) and part-time employees were more likely than full-time employees (29.1% versus 8.5%).

The proportion of employees who were high-paid was highest for managerial and professional occupations (49.6% and 54.4%), those working in information and communication industry or the finance and insurance industry (46.8% and 49.6%), workers aged between 35 and 49 years (32.8%) or those working in London (41.9%). Similarly, men were more likely to be high-paid than women (29.0% versus 20.0%) and full-time employees were more likely to be high-paid than part-time employees (28.7% versus 13.5%).

6 . National Minimum Wage and National Living Wage

In April 2021, there were approximately 1,084,000 employee jobs with employees aged 16 years and over who were paid below the [National Minimum Wage \(NMW\) or National Living Wage \(NLW\)](#) (3.8% of employee jobs). For context, this compares with 2,085,000 (7.4%) in 2020 and 409,000 (1.4% of employee jobs) in 2019, reflecting the decrease in furloughed employees with reduced pay between 2020 and 2021 and the 3.7 million employees still furloughed. New rates for the NMW and NLW were also introduced at the start of April, at which point in some employees were furloughed and a pay rise may not have been reasonable.

The NMW and NLW estimates in this release and the Annual Survey of Hours and Earnings (ASHE) cannot be used as a measure of non-compliance with minimum wage legislation as it is not always possible to determine eligibility from survey data. See [Strengths and limitations](#) for details.

7 . Low and high pay data

[Jobs paid below minimum wage by category](#)

Released: 26 October 2021

Annual estimates of the number of UK jobs paid below the minimum wage by sex, age, occupation and industry, full-time and part-time, and region, from 1998 to 2021.

[Estimates of the number and proportion of employee jobs with hourly pay below the living wage](#)

Released: 26 October 2021

Estimates of the number and proportion of employee jobs with hourly pay below the living wage, as defined by the living wage foundation. Estimates are provided by parliamentary constituency and local authority.

8 . Glossary

Low pay and high pay

In this bulletin, low and high pay are calculated using the [Organisation for Economic Co-operation and Development \(OECD\) definitions](#). Low pay is defined as the value that is two-thirds of median hourly earnings and high pay is defined as the value that is 1.5 times median hourly earnings.

For example, median hourly earnings for all employees in 2021 is £14.10, therefore low-pay employees are anyone earning below two-thirds of £14.10, which is £9.40. High-pay employees are those earning anything above 1.5 times £14.10, which is £21.15.

Full-time and part-time

Full-time is defined as employees working more than 30 paid hours per week (or 25 or more hours for the teaching professions). Part-time is defined as employees working less than or equal to 30 paid hours per week (or less than or equal to 25 hours for the teaching professions).

Standard occupational classification (SOC)

The standard occupational classification (SOC) is a common classification of occupational information for the UK.

National Minimum Wage and National Living Wage

The [National Minimum Wage](#) (NMW) is a minimum amount per hour that most workers in the UK are entitled to be paid. There are different rates of minimum wage depending on a worker's age and whether they are an apprentice. The NMW applied to employees aged between 16 and 22 years. The government's National Living Wage (NLW) was introduced on 1 April 2016 and applies to employees aged 25 years and over but was changed to apply to those 23 years and over in 2021.

On the Annual Survey of Hours and Earnings (ASHE) reference date in April 2021, the NMW and NLW rates were:

- £8.91 for employees aged 23 years and over
- £8.36 for employees aged 21 to 22 years
- £6.56 for employees aged 18 to 20 years
- £4.62 for employees aged 16 to 17 years
- £4.30 for apprentices aged 16 to 18 years and those aged 19 years or over who are in the first year of their apprenticeship

Percentiles

The Xth percentile indicates the value at which X% of the population falls under. For example, the fifth percentile means that 5% of the population earn under this amount and 95% of the population earn above this amount. The median corresponds to the 50th percentile, that is, the value at which half the population falls under.

9 . Measuring the data

Analysis in this bulletin is based primarily on hourly pay, which is directly impacted by government policy around the National Minimum Wage (NMW) and National Living Wage (NLW) rates; this analysis should be considered alongside that in the [Employee earnings](#) bulletin, which focuses more on weekly pay, that is, taking into account the number of hours worked and paid for.

The estimates in this bulletin are based on information gathered from a sample of 1% of employees in the UK. Prior to the coronavirus (COVID-19) pandemic the achieved sample size on Annual Survey of Hours and Earnings (ASHE) was approximately 180,000 each year. However, given the challenges to data collection during the coronavirus pandemic period and response rates not recovering the final achieved sample size was 144,000 for 2020 and 140,000 for 2021. As such, ASHE estimates for 2020 and 2021 are subject to more uncertainty than usual.

All estimates for 2021 are provisional and relate to the pay period that includes 21 April 2021, at which time [3.7 million employees were furloughed](#) under the Coronavirus Job Retention Scheme (CJRS). For 2020 this was 8.8 million employees. Furloughed employee jobs received 80% of normal pay from the scheme, to a maximum £2,500 a month. Employers were able to top up employees pay, but they were not required to; the ONS has estimated that approximately a half of employees had their pay topped up for both years.

The ASHE collected actual payments made to the employee and the hours on which this pay was calculated, which in the case of furloughed employees would be their usual hours.

As with 2020 we have revised the exclusion criteria for the 2020 and 2021 data tables to be "those employees who were not furloughed but whose pay was affected by absence". This results in the ASHE data tables excluding 4.4% of employee jobs in 2021 and 6.0% in 2020 (compared with approximately 5% in previous years).

The 2020 and 2021 ASHE estimates have been weighted using the new reweighted Labour Force Survey (LFS) weights from July 2021. Please see our [methodology on the latest reweighting of the LFS](#).

A [Guide to interpreting ASHE estimates](#) is available and addresses common questions about the data. Specific low pay methodology and guidance is available on the [Low pay methodology pages](#).

Further information on ASHE methodology can be found on the ASHE methodology and guidance page and in the [Quality and Methodology Information report](#).

10 . Strengths and limitations

The National Minimum Wage and National Living Wage estimates in this release and Annual Survey of Hours and Earnings (ASHE) datasets cannot be used as a measure of non-compliance with the minimum wage legislation. This is because it is not always possible to determine from the survey data whether an individual is eligible for the minimum wage. For example, if employees receive free accommodation, employers are entitled to offset hourly rates.

The strengths and limitations of ASHE can be found in the [Quality and Methodology Information report](#) and the [Guide to sources of data of earnings and income](#).

11 . Related links

[Distribution of earnings in the UK: 2017](#)

Article | Released 2 November 2018

Distribution of earnings analysis using Annual Survey of Hours and Earnings (ASHE) provisional 2017 data and previous ASHE datasets, with a focus on earnings growth for those in employment between two consecutive years.

[Low Pay Commission report 2020](#)

Report | Released 9 December 2020

This report sets out the full analysis and evidence underpinning the LPC's recommendations on the National Minimum Wage rates to apply from April 2021.

[Low Pay Britain 2021 - Resolution Foundation](#)

Report | Released 7 June 2021

Since 2011, the Resolution Foundation has published an annual review. This year's report - the 10th edition of Low Pay Britain, based on pay data from April 2020 - focuses on the impact of the COVID-19 crisis.

[Average weekly earnings in Great Britain](#)

Bulletin | Released 12 October 2021

Monthly estimates of growth in employee earnings before tax and other deductions from pay.

[UK labour market overview](#)

Bulletin | Released 12 October 2021

Monthly estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK.

[Earnings and employment from Pay As You Earn Real Time Information, UK: October 2021](#)

Bulletin | Released 12 October 2021

Experimental monthly estimates of payrolled employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data.

[Business insights and impact on the UK economy: 21 October 2021](#)

Bulletin | Released 21 October 2021

The impact of the coronavirus (COVID-19) pandemic and other events on UK businesses and the economy.