

INCOMES DATA SERVICES

PRESS RELEASE

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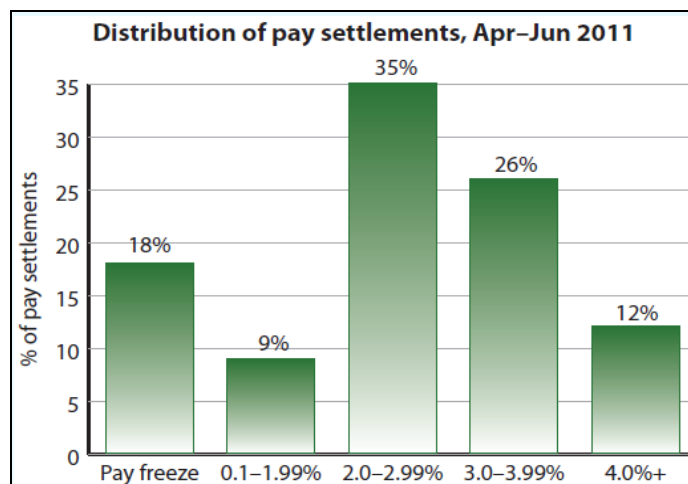
Gap between private and public sector pay awards widens

The gap between pay awards in the private and public sectors has widened, according to the latest data on pay settlements from IDSPay.co.uk. The median settlement level for private sector deals in the three months to the end of June has risen to 2.9 per cent, up from 2.5 per cent in the three months to May. The median in the public sector remains at zero. An increase in the number of pay awards in the 2 to 3.99 per cent range, particularly in the manufacturing sector, has contributed to the increase in the private sector median.

Whole economy figures stable

Across the whole economy, the median pay settlement level remains at 2.5 per cent in the three months to the end of June. The greatest proportion of pay awards are in the 2 to 2.99 per cent range. Over a third of companies have paid increases in this range, and just over one-in-ten have awarded increases at exactly the median figure of 2.5 per cent. The lower quartile – the point at which a quarter of awards are below – is now at 1.5 per cent, down from 2 per cent in the three months to May. This fall is accounted for by a rise in the number of pay freezes in the public and not-for-profit sectors. In these two sectors combined, over half (54 per cent) of settlements are pay freezes. This is in stark comparison to the private sector, where just 6 per cent of settlements are pay freezes.

Ken Mulkearn, Editor of IDS Pay Report, said: 'Employees' experiences in respect of annual pay awards are very different in the private and public sectors. The median level of awards has risen in the private sector, though it is still some way behind inflation. Meanwhile in the public sector the policy of freezing basic pay for most staff means that for many, the squeeze on incomes is even greater.'



Summary of key settlement data	
For the three months to the end of June 2011, based on 136 settlements covering 3,942,431 employees in total	
Whole economy	
Median	2.5%
Average	2.3%
Weighted average (by employee nos)	0.3%
Interquartile range	1.5 to 3.0%
Median by sector	

Private sector	2.9%
Manufacturing & production	3.0%
Private services	2.5%
Not-for-profit & related services	1.3%
Public sector	zero

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Notes for Editors

IDSPay.co.uk is a new online source of all the remuneration data collected by IDS, on pay settlements, pay levels and executive compensation. Visit www.IDSPay.co.uk to see a demonstration or to sign up for a free trial.

IDS Pay Report, published fortnightly, is the UK's leading source of research and analysis on pay and benefits across the economy. For details see our website or call 0845 600 9355.

Incomes Data Services is the leading UK information and research service on employment issues, providing a range of publications for employers, trade unions, government departments and other agencies. In any report it would be helpful if you would include our telephone number 0845 077 2911 and website address (www.incomesdata.co.uk).

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