

INCOMES DATA SERVICES

PRESS RELEASE

Not for use before
00:01 Thursday 30 June 2011

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Some higher pay deals within stable picture

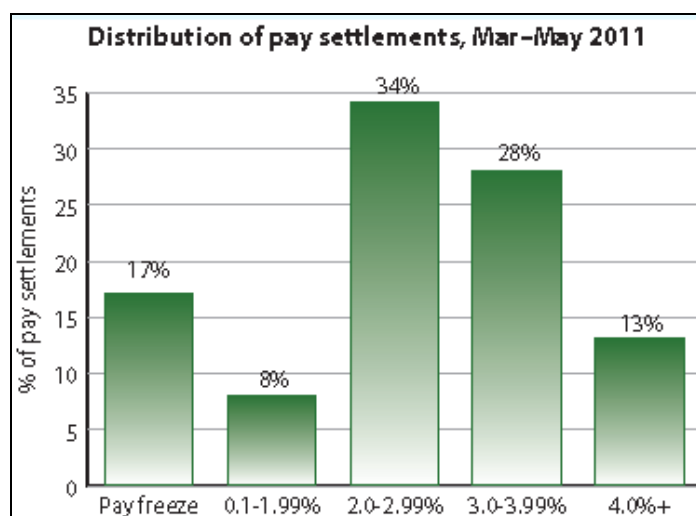
The median pay settlement for the whole economy is 2.5 per cent in the three months to the end of May – the level it has been at since the start of the year – according to new figures from IDSPay.co.uk. However, the headline figure disguises a range of outcomes. Both the lower and upper quartiles – the two points at which a quarter of awards are below and above – have risen. This change is a reflection of an increasing number of higher awards, mainly in manufacturing and utilities, and also the decline in the number of zero and lower-end awards.

The upper quartile has increased to 3.2 per cent in the three months to May, up from 3 per cent in the previous period. This is largely as a result of higher pay settlements in the manufacturing sector, where the median is 3 per cent. Almost two-thirds (63 per cent) of pay awards in the manufacturing sector are at 3 per cent or above. Many of these higher awards have been set in the utilities and in the chemicals and pharmaceuticals sectors. Meanwhile in the private services sector, the median award is 2.5 per cent with just under two-fifths of deals here at or above 3 per cent.

Public sector awards remain at zero

Pay freezes currently make up 17 per cent of all awards in this three-month period and almost three-quarters of these are in the public and not-for-profit sectors. In contrast, pay freezes in the private sector have fallen sharply and make up just 6 per cent of awards in the latest period. The median settlement level in the public sector remains at zero, where over a million employees are currently covered by a two-year pay freeze. This includes employees working in local government and the NHS. Zero awards, or pay freezes, have been on a gradual downward trend since 2010 (when they made up just under a quarter of awards).

Ken Mulkearn, Editor of IDS Pay Report, said: 'Private sector awards – particularly in manufacturing and the utilities – have drifted upwards slightly, with firms making assessments around affordability, the cost of living and the levels of settlements elsewhere when it comes to decisions on pay. They're still some way behind inflation however. And the gap with pay reviews in the public sector, where most staff are covered by the Government's two-year pay freeze, is wider still.'



Summary of key settlement data	
For the three months to the end of May 2011, based on 112 settlements covering 3,606,754 employees in total	
Whole economy	
Median	2.5%
Average	2.5%
Weighted average (by employees nos)	0.2%
Interquartile range	2.0 to 3.2%
Median by sector	
Private sector	2.5%
Manufacturing & production	3.0%
Private services	2.5%
Not-for-profit & related services	1.5%
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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