

PRESS RELEASE

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Median drops to 1% in quiet period for pay setting

Summary of key settlement data from IDSPay.co.uk	
For the three months to the end of July 2009, based on 75 settlements covering 525,474 employees in total	
Median (whole economy)	1.0%
Average (whole economy)	1.4%
Interquartile range (whole economy)	0 to 2.5%
Manufacturing & production median	0%
Private services sector median	1.0%

In this quiet period for pay setting, the median pay settlement level has dropped to 1 per cent. The key bargaining month of April has now dropped out of the analysis and as a consequence, the number of settlements monitored has fallen to 75, down from 235 in the last three-month analysis.

Very few awards are actually at the median of 1 per cent and it is still the case that pay awards can be divided into two main groups: those that have resulted in zero awards, or freezes, and those at 2 per cent or above. Of the 75 pay settlements monitored for May, June and July, just under half are pay freezes and over two-fifths are worth 2 per cent or more.

Ken Mulkearn, Editor of IDS Pay Report, said: 'When we were monitoring relatively large numbers of deals overall, these acted as a counterweight between the two sides of the scale. The number of deals monitored has now fallen sharply and the continued large proportion of freezes has weighed slightly heavier in the balance'.

Throughout much of 2009 pay awards have been balanced by freezes at one end and increases around 2 per cent at the other and this trend continues. In the year to the end of July 2009, the median pay settlement is 2.3 per cent, based on 545 settlements. Just under a third of these are pay freezes.



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Notes to Editors:

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