

PRESS RELEASE

Not for use before
00:01 Thursday 26th November 2009

Pay award median holds steady at 2%

The latest figures from IDSPay.co.uk show that the median pay settlement level in the whole economy has held steady at 2% for the second consecutive analysis period, covering the three months to the end of October 2009. This is based on 63 settlements covering 1.75 million employees.

The proportion of pay freezes has fallen slightly from around a third of all settlements in our last analysis to a quarter of deals in the latest analysis period. This may suggest that freezes have already started to ‘thaw’, although this is a quieter time for bargaining than the first half of the year. Over half of the awards in the latest analysis period are worth are 2% or more, with a fifth of these at or above 3%.

In private services the median pay award has fallen slightly due to lower awards in areas such as fast food, pubs and restaurants, with the 1.2% rise in the NMW having a greater influence here than in other low-paying sectors. However, most of the big food retailers have continued to pay rises of 2% or more in the 2009/10 pay round, including Asda, Marks & Spencer, Morrisons, Tesco and Somerfield.

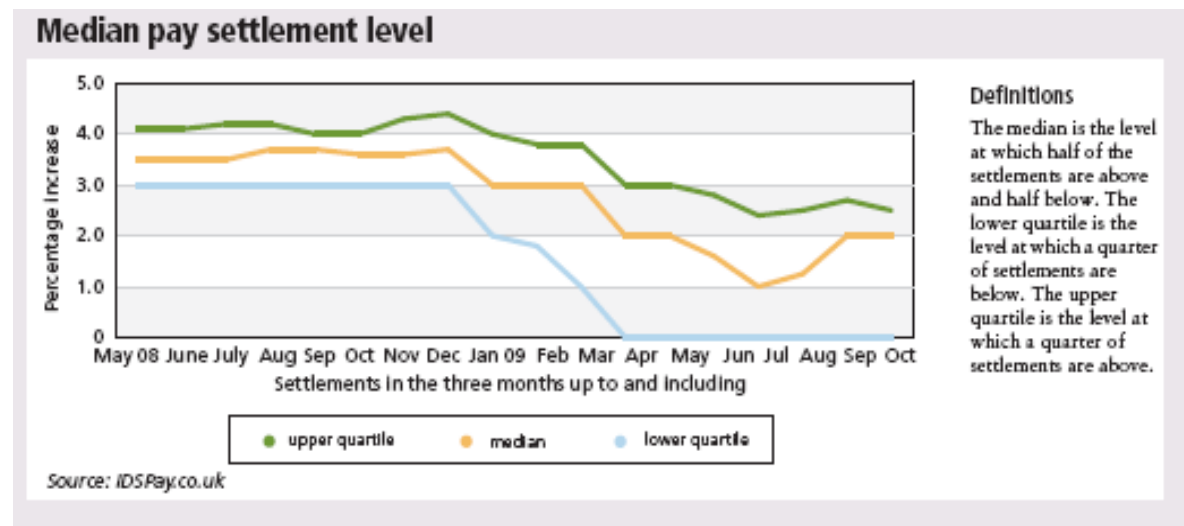
In line with this, a weighted analysis of private services pay awards in the three months to the end of October 2009 indicates a median of 2.2%. This shows that in the latest period the majority of employees in private services are covered by rises of 2% or more.

At Ford employees have received a basic rise of 2% in the second year of a three-year inflation linked deal. The award was based on a formula of the October 2009 RPI plus 0.2%, subject to a guaranteed minimum rise of 2%. The inflation figure for October was -0.8%, triggering the minimum increase clause.

Summary of key settlement data from IDSPay.co.uk

For the three months to the end of October 2009, based on 63 settlements covering 1.75 million employees in total

Median (whole economy)	2.0%
Average	1.8%
Inter-quartile range (whole economy)	0 to 2.5%
Median – manufacturing and production	0
Median – private services	1.5%



Ken Mulkearn, Editor of IDS Pay Report, said: ‘The whole economy median has remained steady at 2% for two successive months, so it looks like a stable trend. Most large retailers are paying awards at this level, notwithstanding the fact that the rise in the NMW was lower, at 1.2%.’

‘Looking ahead, the Ford Motor Company has paid 2% from November to staff at its factories in Essex, Southampton and South Wales. Although it’s not the bellwether settlement it once was, other motor manufacturers look towards pay negotiations at Ford when reviewing their own rates.’

On the incidence of pay freezes Mulkearn adds: ‘At the lower end of the settlements distribution, the falling number of freezes may indicate a thaw here, but this is a generally quiet time for settlements, and the New Year period will be crucial in indicating whether 2010 will see more or less freezes than 2009.’

For further press information, please contact:

- Ken Mulkearn on 020 7422 4937
- or
- Lois Wiggins on 020 7422 4945

Notes to Editors:

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 020 7429 6800 and website address (www.incomesdata.co.uk).

Sweet & Maxwell (www.sweetandmaxwell.thomson.com) is a leading provider of information and solutions to the legal and professional markets in the UK and Ireland. With over 200 years of history and heritage in legal publishing, Sweet & Maxwell offers detailed and specialist knowledge, understanding, interpretation and commentary across a wide range of subjects in a variety of formats to meet customers' needs - books, journals,

periodicals, looseleaves, CD-ROMs and online services.

About Thomson Reuters

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, scientific, healthcare and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson Reuters employs more than 50,000 people in more than 100 countries. For more information, go to www.thomsonreuters.com.