

## ASHE ANNUAL DATA RELEASE - ONS DATA UPDATE

The ONS has released the provisional data set for ASHE 6115. This is the third year in a row that the data has been made available before mid-November. This will certainly help with the recalculation process for all Periodical Payments due to be paid on or before 14th December 2018.

The noticeable headline for 2018 is that for the first time since 2012, full-time wages rose by a larger percentage than part-time wages.

Adjusted for inflation, full-time weekly earnings increased by **1.2%** compared with 2017 (the Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by **2.2%** in the year to April 2018).

Overall, earnings adjusted for inflation in 2018 were at a similar level to 2011, meaning that wages have increased at approximately the same rate as inflation over that period. However, the level in 2018 was **3.7%** lower than in 2008, prior to the financial crisis.

Interestingly and noteworthy is that the CPIH measure of inflation over the same period is **2.9%**, that being the same data for CPI but with the inclusion of owner occupiers housing costs.

The table below shows the relevant percentiles and their respective hourly rates coupled with a percentage increase annually.

measures of inflation are **3.27%**<sup>RPI</sup> and **2.4%**<sup>CPI</sup> respectively

**Table 1**

Average increases based on historical data, Care Assistants and Attendants

Year Released % Increase	10th	20th	25th	30th	40th	60th	70th	75th	80th	90th
2016	£7.20	£7.36	£7.50	£7.70	£8.08	£9.02	£9.77	£10.20	£10.76	£12.55
<b>% increase 15/16</b>	<b>8.43%</b>	<b>5.44%</b>	<b>5.49%</b>	<b>5.48%</b>	<b>4.66%</b>	<b>3.32%</b>	<b>3.39%</b>	<b>3.24%</b>	<b>3.66%</b>	<b>2.78%</b>
2017	£7.50	£7.76	£7.93	£8.07	£8.42	£9.36	£10.05	£10.50	£11.04	£12.91
<b>% increase 16/17</b>	<b>4.17%</b>	<b>5.43%</b>	<b>5.73%</b>	<b>4.81%</b>	<b>4.21%</b>	<b>3.77%</b>	<b>2.87%</b>	<b>2.94%</b>	<b>2.60%</b>	<b>2.87%</b>
2018	£7.83	£8.02	£8.20	£8.39	£8.72	£9.71	£10.40	£10.82	£11.47	£13.35
<b>% increase 17/18</b>	<b>4.40%</b>	<b>3.35%</b>	<b>3.40%</b>	<b>3.97%</b>	<b>3.56%</b>	<b>3.74%</b>	<b>3.48%</b>	<b>3.05%</b>	<b>3.89%</b>	<b>3.41%</b>
<b>Average increase from 2000 - 2018*</b>	<b>3.82%</b>	<b>3.36%</b>	<b>3.35%</b>	<b>3.08%</b>	<b>2.99%</b>	<b>2.54%</b>	<b>2.37%</b>	<b>2.25%</b>	<b>2.36%</b>	<b>2.71%</b>

\* % increase refers to provisional data from previous years and provisional data for the current year.

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Whilst it is clear that the increase in the lower percentiles has again skewed the average increase across the 2018 provisional results the publication reveals an average increase of **3.63%** for all datasets.

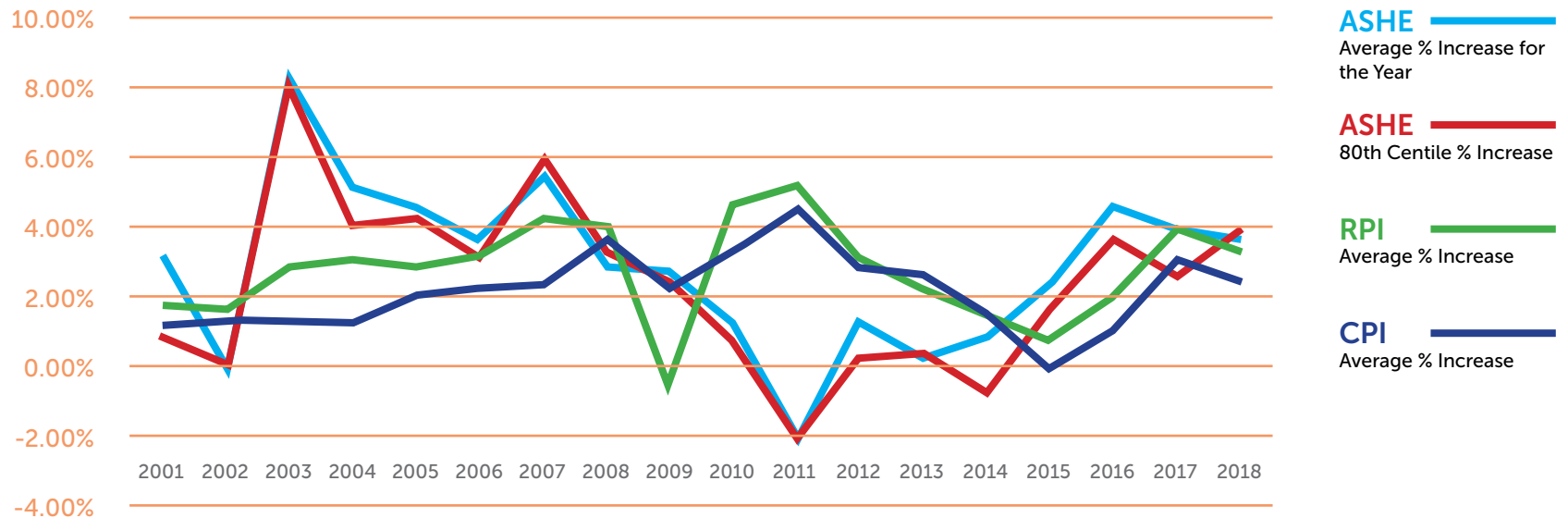
Please note however that the publication of the data from ONS for ASHE are based on 'median' and not 'mean' values. The significance of this is that the distribution of the of earnings are indeed skewed with more people earning lower salaries than higher. The issue with using the 'mean' approach when calculating the average of a skewed data set is that the results are highly influenced by those values at the upper end of the distribution. It has long

been the approach of the ONS to use the median to identify the middle value of the data and is considered as a better indicator of 'typical' average earnings.

The table below shows the % change in ASHE data v's inflationary measures over the last 17 years.

average increase of **3.63%** for all datasets

**Graph 1**  
ASHE Data V's RPI/CPI





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In April 2018 median gross weekly earnings for full-time employees were £569, up **3.5%** from £550 in 2017. Historically, between 1997 (the first year for which Annual Survey of Hours and Earnings (ASHE) data are available) and 2008, growth was steady, averaging approximately **4%** each year. However, since the start of the economic downturn, growth has been slower, with the annual increase averaging **1.6%** per year between 2009 and 2018. The **3.5%** growth seen this year is the highest growth in earnings since 2008.

For any further information on the latest release from the ONS and to discuss how this might affect your clients and their respective periodical payments (PPO's) then please feel free to contact our offices.

gross weekly earnings up **3.5%** in **2018**  
for full-time employees

For specific assistance with the recalculation of your clients' periodical payments in light of the release of the data from ONS please contact [mark.holt@frenkeltopping.co.uk](mailto:mark.holt@frenkeltopping.co.uk)



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