

Average Earnings and Composition of the Public and Private Sector Workforces

Theme: Labour Market

1 Introduction

This paper provides users with earnings estimates from the Annual Survey of Hours and Earnings (ASHE) for employees in both the public and private sectors. It compares and contrasts earnings from the two sectors and provides breakdowns by working pattern, occupation and industry.

The headline measure of earnings from the Annual Survey of Hours and Earnings (ASHE) is median gross weekly earnings for full-time employees. This is referred to throughout this paper as “weekly earnings”.

Key Points

Provisional results from the 2022 Annual Survey of Hours and Earnings provisional results showed that:

- Weekly earnings for employees working in the public sector in Northern Ireland were £708 in April 2022
- Weekly earnings in the private sector were £544 in April 2022
- Public sector weekly earnings were 30% higher than private sector earnings, the smallest percentage gap on record
- In the UK, weekly earnings in the public sector were 12% higher than those in the private sector
- Real earnings in the private sector have grown by 11% since 2012
- No growth in public sector real earnings over the last decade
- Many of the lowest paid occupations, such as bar and restaurant staff, hairdressers, elementary sales occupations and cashiers, exist primarily in the private sector, while there is a larger proportion of graduate-level and professional occupations in the public sector.

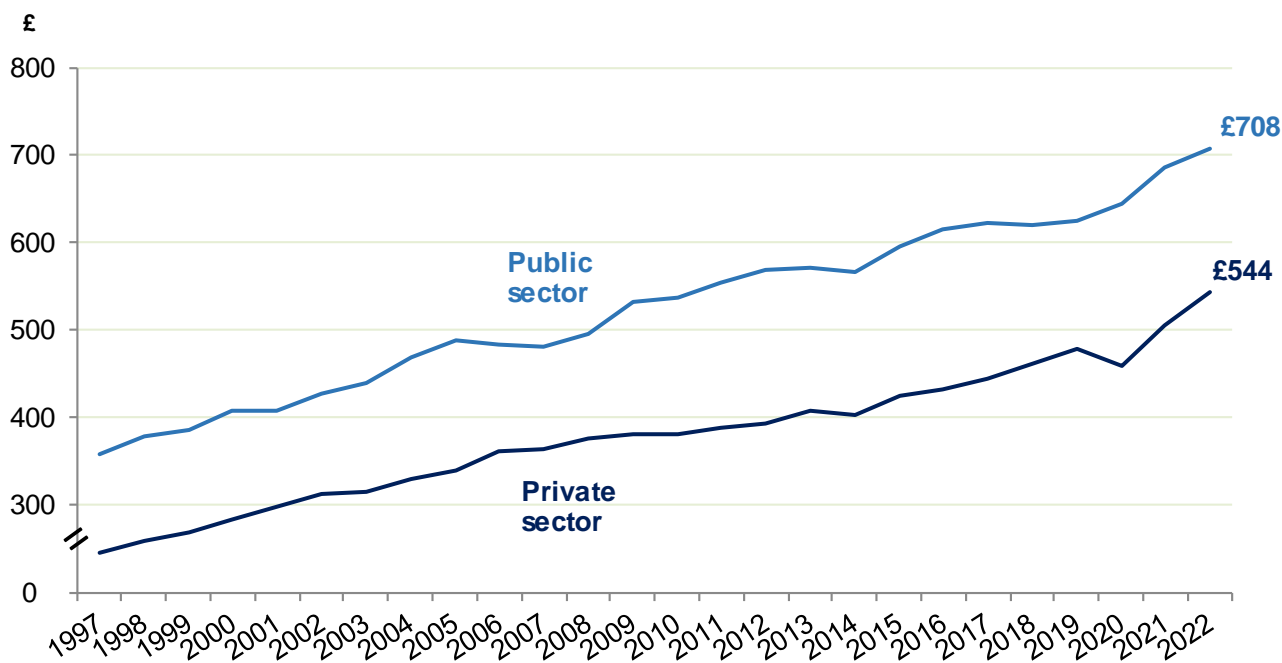
2 Results

Public sector: The NI public sector can be broken down into five areas:

NI central government; Bodies under aegis of NI central government; UK central government employees based in Northern Ireland; Local government; Public corporations.

Private sector: The private sector encompasses all for-profit businesses (that are not owned or operated by the government). This does not include any non-profit body or mutual association.

Figure 1: Median gross weekly earnings for full-time employees in NI for the public and private sectors, April 1997 to April 2022



Note: there were a number of methodological changes during the series in 2004, 2006, 2011 and 2021.

Non-zero axis

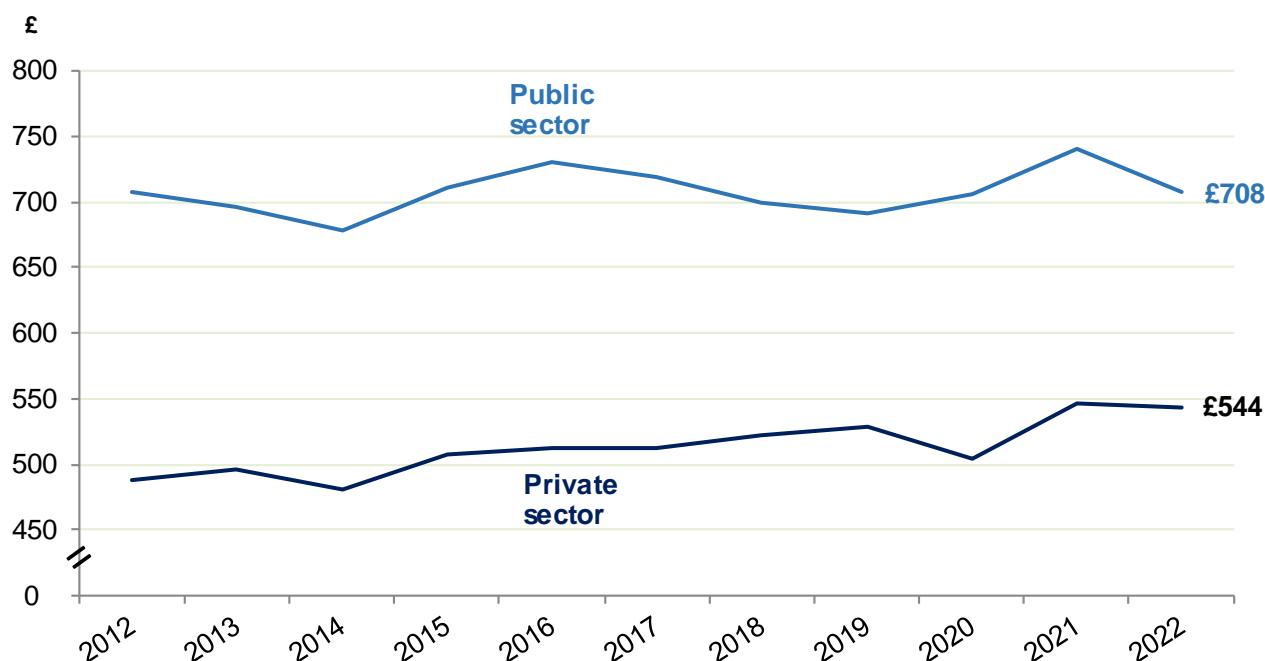
The 2022 Annual Survey of Hours and Earnings provisional results show that, for full-time NI employees, median weekly earnings in the public sector (£708) were 30% higher than in the private sector (£544), which is the smallest percentage gap on record. The difference between public and private sector earnings was more pronounced for women (40% higher compared with 31% for men). Furthermore, the difference recorded in NI was more marked than that of the UK, where equivalent median full-time earnings were 12% higher in the public sector than in the private sector.

Although these differences are substantial in contrast with the UK, the percentage difference between the full-time median earnings in the two sectors is at its lowest in NI since records began in 1997. In 2008, the difference was similar to the most recent data, but in 2009 the difference jumped by 9 percentage points to 40%. This coincided with the economic downturn. The gap then remained broadly unchanged until 2016, when, following the introduction of the National Living Wage, it began to close year on year. This trend was interrupted for two years between 2020 and 2021, when furlough pay was introduced, which predominantly affected the private sector (see Figure 1).

Real earnings are earnings with the effects of inflation removed. This provides a comparison of the amount of goods and services that can be bought over time (also known as purchasing power). Real earnings are calculated by adjusting historic earnings data using the Consumer Price Index including owner occupiers' housing costs (CPIH).

More specifically, over the last decade, real earnings in the public sector have been consistently higher and more changeable than those in the private sector, and an upward trend in pay in the private sector is more evident than in the public sector. Earnings recorded for the public sector in 2022 were 20p higher than real earnings in 2012, compared with 2022 earnings in the private sector which were £56 higher than 10 years earlier.

Figure 2: Real median gross weekly earnings for full-time employees in the public and private sectors in NI, April 2012 to April 2022



Note: there was a methodological change during the series in 2021.

Non-zero axis

Some of the difference between earnings in the public and private sectors, both in NI and the UK, may be due to differences in the composition of the respective workforces. For example, many of the lowest paid occupations, such as bar and restaurant staff, hairdressers, elementary sales occupations and cashiers, exist primarily in the private sector, while there is a larger proportion of graduate-level and professional occupations in the public sector. Further detail can be found at [Who works in the public sector?](#)

Tables 1-3 illustrate this, showing that, according to the 2022 ASHE data, public sector employment was concentrated in the 'professional' occupations, which require more highly qualified staff or workers with more experience-related training (see Table 4). This occupation group had the second highest median earnings in 2022. In contrast, the majority of private sector employment was in the 'Sales and customer service', 'Elementary', 'Skilled trades' and 'Process, plant and machine operatives' occupations, which are associated with lower earnings. However, even within each of the occupational categories, those in the public sector were likely to earn more on average than those in the private sector.

Table 1: Median gross weekly earnings for all employees in the public and private sector by occupation, April 2022

All employees	Count (thousands)		Median earnings	
	Public	Private	Public	Private
Managers, directors & senior officials	12	51	1,073.2	826.8
Professional occupations	171	110	787.6	714.1
Associate professional & technical occupations	68	77	655.0	563.4
Administrative & secretarial occupations	55	69	445.6	407.2
Skilled trades occupations	7	83	455.1	534.3
Caring, leisure & other service occupations	62	48	349.7	331.5
Sales & customer service occupations	x	67	x	256.4
Process, plant & machine operatives	6	77	525.3	492.4
Elementary occupations	27	93	203.7	328.8

Notes

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence.
3. x - sample too small for reliable estimate

Table 2: Median gross weekly earnings for full-time employees in the public and private sector by occupation, April 2022

Full-time employees	Count (thousands)		Median earnings	
	Public	Private	Public	Private
Managers, directors & senior officials	11	43	1,108.2	904.7
Professional occupations	139	97	827.2	748.4
Associate professional & technical occupations	60	66	698.3	591.0
Administrative & secretarial occupations	44	43	467.1	460.5
Skilled trades occupations	x	73	517.1	552.9
Caring, leisure & other service occupations	29	26	454.2	423.6
Sales & customer service occupations	x	27	x	407.5
Process, plant & machine operatives	6	68	530.4	505.8
Elementary occupations	8	50	404.3	429.8

Notes

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence.
3. x - sample too small for reliable estimate
4. Full-time is defined as employees working more than 30 paid hours a week (or 25 or more for the teaching professions).

Table 3: Median gross weekly earnings for part-time employees in the public and private sector by occupation, April 2022

Part-time employees	Count (thousands)		Median earnings	
	Public	Private	Public	Private
Managers, directors & senior officials	x	8	404.2	267.4
Professional occupations	32	13	459.0	x
Associate professional & technical occupations	8	11	x	240.3
Administrative & secretarial occupations	11	27	271.1	214.8
Skilled trades occupations	x	10	281.9	247.1
Caring, leisure & other service occupations	33	23	246.1	177.5
Sales & customer service occupations	x	40	x	152.0
Process, plant & machine operatives	x	9	x	233.5
Elementary occupations	20	43	173.0	152.0

Notes

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence.
3. x - sample too small for reliable estimate
4. Part-time is defined as employees working less than or equal to 30 paid hours a week (or less than 25 hours for the teaching professions).

Table 4: Major occupational groupings

Major group	General nature of qualifications, training and experience for occupations in the major group
Managers, Directors and Senior Officials	A significant amount of knowledge and experience of the production processes and service requirements associated with the efficient functioning of organisations and businesses.
Professional Occupations	A degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or a formal period of experience-related training.
Associate Professional and Technical Occupations	An associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Some additional task-related training is usually provided through a formal period of induction.
Administrative and Secretarial Occupations	A good standard of general education. Certain occupations will require further additional vocational training to a well-defined standard (e.g. office skills).
Skilled Trades Occupations	A substantial period of training, often provided by means of a work based training programme.
Caring, Leisure and Other Service Occupations	A good standard of general education. Certain occupations will require further additional vocational training, often provided by means of a work-based training programme.
Sales and Customer Service Occupations	A general education and a programme of work-based training related to Sales procedures. Some occupations require additional specific technical knowledge but are included in this major group because the primary task involves selling.
Process, Plant and Machine Operatives	The knowledge and experience necessary to operate vehicles and other mobile and stationary machinery, to operate and monitor industrial plant and equipment, to assemble products from component parts according to strict rules and procedures and subject assembled parts to routine tests. Most occupations in this major group will specify a minimum standard of competence for associated tasks and will have a related period of formal training.
Elementary Occupations	Occupations classified at this level will usually require a minimum general level of education (that is, that which is acquired by the end of the period of compulsory education). Some occupations at this level will also have short periods of work-related training in areas such as health and safety, food hygiene, and customer service requirements.

Table 5 shows the different composition of the two sectors in terms of industry, with public sector employment predominantly in 'Human health and social work', 'Education' and 'Public administration and defence', while the largest industry sectors for the private sector were 'Wholesale and retail trade' and 'Manufacturing'.

Table 5: Median gross weekly earnings for all employees in the public and private sector by industry, April 2022

All employees	Count (thousands)		Median earnings	
	Public	Private	Public	Private
Agriculture, Forestry & Fishing	x	9	x	391.5
Mining & quarrying	x	x	x	x
Manufacturing	x	136	x	548.0
Electricity, gas, steam & air conditioning supply	x	x	x	627.0
Water supply, sewerage, waste management & remediation activities	x	x	573.9	x
Construction	x	47	x	568.6
Wholesale & retail trade; repair of motor vehicles & motorcycles	x	133	x	380.0
Transportation & storage	6	27	703.6	502.5
Accommodation & food service activities	x	53	x	274.8
Information & communication	x	45	x	690.3
Financial & insurance activities	x	25	x	574.5
Real estate activities	x	12	571.4	x
Professional, scientific & technical activities	x	60	x	524.3
Administrative & support service activities	x	48	350.1	431.8
Public administration & defence; compulsory social security	110	x	634.0	x
Education	131	x	497.9	x
Human health & social work activities	147	50	610.9	363.4
Arts, entertainment & recreation	x	8	462.5	x
Other service activities	x	8	x	x

Notes

1. Estimates for 2022 data are provisional.
2. Employees are on adult rates, pay is unaffected by absence.
3. x - sample too small for reliable estimate