1. Introduction

In the past few years, UK nominal average wage growth has settled down to a new norm of around 2% per year. But the norm for median wage growth is lower, perhaps as low as 0%. These new wage norms are different, representing step changes down from the previous wage growth norm that prevailed before the onset of the Great Recession in 2008 (when the average was more like 4%).

The question is whether wage growth will ‘mean revert’ to those pre-recession levels any time soon. In our view, this looks increasingly unlikely. The evidence for a new post-recession average wage growth norm of 2% is growing apace.

Figure 1a shows 12-month growth in the average weekly earnings (AWE) index and the consumer price index (CPI) from January 2002 to December 2015. Figure 1b then plots the growth in real AWE total and regular pay using the latest real wages data from the Office for National Statistics (ONS).¹

In the period of first falling and then modestly growing real wages since price inflation overtook wage growth, beginning in June/July 2008, nominal wage growth has averaged 1.7%. Other than a couple of anomaly months for total pay (due to bonuses), and a modest pick-up between April and September 2015, each month stayed relatively close to this level.

¹ Real wage data for AWE total and regular pay is available from the ONS in spreadsheet x04: http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningssupplementaryanalysisx04
This very clearly contrasts with what went before, showing this shift to a lower very stable wage growth norm. Its persistence has also continually conflicted with much more optimistic forecasts of wage growth by the Bank of England’s Monetary Policy Committee (MPC), the Office for Budget Responsibility (OBR) and others, which have had to be continually revised down. There is also evidence of nominal pay growth settling at around 2% in other countries, including in the United States\(^2\) and most recently in Australia.\(^3\)

The key question is whether this new norm is here to stay or whether the continuing sets of more optimistic forecasts will eventually prevail. In this report, we consider a range of new evidence that has recently become available, which points much more to the former than the latter.

2. Recent updates – MPC

Since our most recent report highlighting continuing weak wage growth published at the beginning of February (Blanchflower and Machin, 2016), a number of new pieces of information have been published. These suggest the need to update that analysis immediately.

The minutes of the most recent (February) MPC meeting and the February Inflation Report were both published after our most recent CEP Real Wages Update.\(^4\) We consider each in turn:

a) MPC minutes February 2016

There are four relevant paragraphs on wages in the MPC minutes:

24. In its updated February projections, the Committee had revised down the path of wage growth in the near term.

26. The short-term unemployment rate, the proportion of people who had been unemployed for less than six months, which was normally thought of as a guide to wage pressure, had been below its pre-crisis level for the previous two years.

27. These developments, coming with the recent dip in wage growth, raised the possibility that there was more slack than assumed and that the economy could therefore function with a rate of unemployment permanently lower than previously estimated.

\(^2\) Andrew T. Levin, ‘Is the labor market on the verge of overheating?’, January 8\(^{th}\) 2015  
http://www.dartmouth.edu/~alevin/Andrew_Levin_commentary_08jan2016.pdf

\(^3\) Private sector wages in Australia grew at 2% in Q42015.  

\(^4\) The series of real wage updates thus far are Blanchflower and Machin (2014a, 2014b, 2014c, 2016).
36. Although the tightening in the labour market had led to some increase in wage pressure during 2015, wage growth and labour costs had been weaker than expected in the final months of the year.

Paragraphs 24 and 36 are both helpful in that they note that the MPC has lowered its forecasts for wages in light of the fact that the data have slowed more sharply than the MPC expected.

Paragraph 26 sadly is less helpful (and wrong). We already know from work by Blanchflower and Oswald (1990) and Bell and Blanchflower (2014), as well as work at the Bank of England from one of its own staff members (Speigner, 2014), that there is no evidence that the short-term unemployed have different effects on wages than the long-term unemployed. There continues to be zero evidence to support this claim. We have contacted the Bank of England asking if they can produce any recent evidence and they have produced none.

Paragraph 27 raises a sensible possibility that in our view is likely to be correct. There is more slack in the UK labour market than the MPC has assumed, which is why we are observing a wage growth norm of 2%.

b) February 2016 Inflation Report

As noted in the February 2016 minutes, the MPC lowered its wage forecast, but not by much and most likely not by enough. According to the Conditioning Assumptions, MPC key judgements and Indicative Projections, February 2016 documents (which are published along with the Inflation Report), the MPC lowered its forecast (previous forecast in brackets) for average weekly earnings, meaning four quarter growth in whole economy total pay as follows: 5

<table>
<thead>
<tr>
<th>Year</th>
<th>Previous Forecast</th>
<th>Revised Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-2007</td>
<td>4¼%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1¾% (2½%)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>3% (3¾%)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3¾% (4%)</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4½% (4½%)</td>
<td></td>
</tr>
</tbody>
</table>

The revised 2015 numbers roughly reflect the wage growth norm. But again, forecasts for future years rise and are back to the pre-Great Recession mean of 4¼% by 2018. But this has not happened for the entire period 2008-16, so why should it happen now? It seems likely that more downward revisions are headed their way. Much lower wage growth than has been forecast, including by the OBR, will have major implications for the public finances.

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In the February *Inflation Report*, the MPC devotes Section 3.4 to ‘Wages’

‘Average pay growth remains weak and softened during the second half of 2015. While some easing in pay growth was projected at the time of the November Report, as the sharp pickup in wages in late 2014 dropped out of the annual comparison, four-quarter pay growth was weaker than expected at 2% in the three months to November. The weakness in pay growth and recent slowing are at odds with the continued improvement in other labour market conditions, such as the sharp falls in unemployment. While it is possible that this reflects greater slack in the labour market, there are a number of other factors that appear to be temporarily weighing on wage growth. Not all explain the precise pattern of wage growth, however.

Indeed, they do not. But eventually they think that they will be right at last ‘but as the factors weighing on wage growth dissipate, it is projected to rise towards its pre-crisis average rate’, that is the much hoped for 4¼% (versus the 1.5% currently). They do give some very weak explanations why they have been so wrong, none of which are convincing. It is pitched as a combination of productivity, low-skilled jobs and inflation.

‘One factor that may have contributed to the softening in wage growth is slower productivity growth. Indeed, when calculated on a per head basis, which is most relevant for pay per person, productivity growth is likely to have slowed to 0.3% in the four quarters to Q4, following a period of growth around 0.8%. An influence on measured wage growth, which may also be reflected in productivity growth, is changes in the composition of the workforce. Roles that tend to be associated with lower pay, such as lower-skilled positions, have continued to form a larger-than-usual share of net employment growth. Although data for Q4 are not yet available, Bank staff estimate that the drag from these compositional factors increased to around 1 percentage point in 2015 Q3. Such effects will, however, only drag on wage growth for as long as the composition of the workforce continues to shift.

*The low level of headline inflation may have also contributed to the softening in wage growth. Following falls in the prices of energy, food and other imported goods, real wage growth has picked up strongly and is close to its pre-crisis average. The strength in real wage growth and, thereby, households’ purchasing power may have reduced the pressure on employers to increase nominal wage growth, temporarily offsetting some of the impact of tightening labour market conditions. As the external influences on inflation wane, those pressures are likely to reassert themselves, pushing up nominal wage growth.*

We think these are minor factors and as we show below, largely unsupported by the evidence. Indeed, the evidence they provide, replicated in our Table 1, suggests that there is no wage growth acceleration; there is a current wage growth norm for average wages of around 2%.

It seems to us that there is simply more labour market slack than the MPC guesses. It has ignored its own evidence, including that of its own regional agents, as we show below. The latest evidence continues to support that view.
3. More subsequent evidence

There have also been a number of other pieces of data supporting the view that nominal wage growth remains weak and continues to slow.

a) ONS

The latest data release from the ONS, the *February 2016 Labour Market Release*, shows continued slowing of wage growth. This is true on both the National Statistic Annual Weekly Earnings (AWE) as well as from the Labour Force Survey (LFS), which is a random sample of employees.  

Table 1 reports the levels of the AWE in terms of both total pay and regular pay, which excludes bonuses. Our preferred measure is total pay given that is what workers receive in their pay packets. In both cases, wage growth has slowed. This is the case whether we use the single-month estimate, which again is our preferred measure as this is what is used internationally, or the three-month estimate. Total pay slowed from 2.2% in November 2015 to 1.5% in December 2015, down from a high of 4.4% in March 2015. Weekly earnings are up only one pound in the six months since July 2015.

The latest release of data on the CPI shows that the annual rate of growth in January 2016 rose slightly to 0.3%. In combination with the growth of nominal total pay identified above, real wages are at 113.2 (2000=100) compared with 124.1 in February 2008 – or 8.8% lower than at the onset of the Great Recession.

Table 2 provides supporting evidence from the LFS, which shows mean annual pay growth of 2% for both weekly and hourly earnings. What is particularly striking is the much lower pay growth at the median. It is notable that median full-time earnings have been unchanged at exactly £481 per week for the last seven quarters in a row. Median pay over the last twelve months was unchanged. The norm for mean average wage growth is 2%, but median wage growth is lower, and might even be as low as 0%.

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6 The Monthly Wages and Salaries Survey which is used to construct the AWE is not a random sample and is unable to produce medians and hence is likely to be sensitive to movements at the top end. It also excludes all firms of less than 20 employees. Although adjustments are made every year from the ASHE survey no such adjustments have been made to the data since April 2015. We should note also that the ASHE survey is also not a random sample with truncations at the low end for those who fall below the National Insurance threshold and that has to have adjustments made to it based on the LFS.

7 See for example, the Bureau of Labor Statistics in the US that does not group months together, see here for example Establishment Data Summary Table B. [http://www.bls.gov/news.release/empsit.toc.htm](http://www.bls.gov/news.release/empsit.toc.htm)

b) Chartered Institute of Personnel and Development (CIPD)

In its Winter Labour Market Outlook, Winter 2015-2016, the CIPD reports on the views of 1,007 employers.\(^9\) They find slowing in pay growth with a 2% pay norm shining through, and warn that wage growth will see a sharper than expected slowdown this year.

The report’s median basic pay expectations have fallen to 1.2% from 2% since the previous report. This is of particular note as this measure has been unchanged over the last 18 months. The CIPD notes the rising share of organisations that plan to freeze pay, which suggests that a pay divide may be under way, between the substantial proportion of employers that intend to award their staff a basic pay increase of between 1% and 3%, and a smaller, but growing, share of employers that are stuck in a pay freeze.

The CIPD argues as follows:

‘Consistent with other indicators, which suggest that wage growth may be weakening (Bank of England), median basic pay expectations have fallen to 1.2% from 2% since the previous report. The weakening pay outlook is due, in part, to the greater share of employers that plan a pay freeze in the 12 months to December 2016. In addition, according to the report’s alternative pay indicator, mean basic pay expectations have decreased to 1.9% from 2.3%. The scale of these falls is significant because both measures have been broadly consistent over the past 18 months... Median basic pay expectations remain subdued in the public and voluntary sectors (1%). Meanwhile basic pay expectations in the private sector in the 12 months to December 2016 remain at 2%, unchanged from that in the 12 months to September 2016... However, mean basic pay expectations in the private sector have decreased to 2.4% from 2.9% in the past three months along with a fall in the public sector, down to 0.8% from 1%. Consistent with this trend, the voluntary sector has also seen a fall to 1.4% from 1.9%.’

In earlier academic papers, we have reported that pay is determined by an intricate blend of insider and outsider forces.\(^{10}\) As can be seen in Figure 2, the main reason for the restraint on pay – an insider reason – is firms’ ability to pay. For those who paid 2% or less in the 12 months to December 2015, 36% of employers say the reason was the organisation’s inability to pay more. The rate of inflation is only the fourth highest.

For those who paid 2% or more over the same period, ability to pay is also the biggest reason, cited by 40% of employers. There is no evidence that there are any significant outsider forces pushing up on pay, which would be the case if the UK labour market were close to full employment.

In addition, the CIPD examined the views of employees and find that they also expect a median basic pay increase of 2% for themselves in 2016.


\(^{10}\) See, for example, Blanchflower et al (1990).
c) Markit’s report on jobs

Markit’s *Report on Jobs for February 2016* finds that starting salaries for successful permanent candidates rose further in January, but the rate of growth eased to a 27-month low. Temporary/contract staff pay rose at the slowest pace since October 2013. In Scotland, salary growth in particular slowed to its weakest since August 2013.

d) EEF

The three-month average pay settlement of 158 settlements in January is found by EEF (‘The manufacturers’ organisation’) to be 2%. With a fairly stable profile of average settlement levels over the past year, the distribution of pay deals is also largely unchanged in the three months to January.

EEF reports that ‘the most common pay band was between 1.76 and 2% in the past three months – around a third of settlements fell within this range. Top end pay deals remain few and far between, with fewer than one in ten deals ending in a settlement above 3%.’ Pay freezes, EEF finds, became a more prominent feature over the course of last year and, in the three months to January, one in six settlements resulted in no change in pay.

Commenting on the data, EEF chief economist Lee Hopley said:

‘*Pay settlements across manufacturing have been remarkably stable over the past year and the first indications from the sector’s major January pay round suggest business as usual in 2016. The persistence of low inflation and, expectations that the year ahead will bring more risks than opportunities, are contributing to the trend of modest pay increases across the sector.*’

e) XpertHR

XpertHR recently reported the results of 164 pay settlements effective in the three months to the end of January 2016, covering almost 300,000 employees. It finds the pattern of low pay awards continuing as the new bargaining year gets under way. The median basic pay award in the three months to the end of January 2016 is 2%, unchanged on the figure seen for the previous 21 consecutive rolling quarters.

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A matched sample of pay awards reveals that just one in eight is higher than the group received the previous year, while more than half are lower. There is no difference in the level of pay awards seen across the two parts of the private sector, with both manufacturing-and-production settlements and private-sector-services settlements at 2%, in line with the whole-economy figure.

XpertHR confirms that 2% remains the benchmark figure. As well as being the median basic award, 2% is also the most common, accounting for more than a quarter of basic settlements. The middle half of all deals is worth between 1% (the lower quartile) and 2.5% (the upper quartile).

More than half of the pay awards are lower than the previous year. Of a matched sample of 115 settlements (covering both basic and merit pay), 53% are lower than the same group received the previous year, just over one third (34%) are the same and only 13% are higher than a year ago.

f) Adzuna¹⁴

In its latest UK Jobs Market Report: February 2016, Adzuna reports that advertised salaries show a ‘glimmer of hope’, rising 0.8% month-on-month to reach £33,593 in January, with Northern Ireland and Wales leading the recovery. But this needs to be put into context. On average in the UK over the last 12 months, average advertised salaries are down 2.9%. Adzuna reports that average advertised salaries are down in every region as shown below:

<table>
<thead>
<tr>
<th>Region</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>-5.2%</td>
</tr>
<tr>
<td>London</td>
<td>-4.3%</td>
</tr>
<tr>
<td>North East England</td>
<td>-3.7%</td>
</tr>
<tr>
<td>UK Average</td>
<td>-2.9%</td>
</tr>
<tr>
<td>South West England</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Eastern England</td>
<td>-2.7%</td>
</tr>
<tr>
<td>North West England</td>
<td>-2.4%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Yorkshire and Humberside</td>
<td>-1.8%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>-1.6%</td>
</tr>
<tr>
<td>South East England</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Wales</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Adzuna also reports that January saw a total of 1,079,711 job vacancies advertised in the UK, down 7.3% from 1,164,502 in December – the largest monthly drop since 2012. Advertised job vacancies according to Adzuna have now fallen 13.7% since November.

¹⁴ [https://www.adzuna.co.uk/](https://www.adzuna.co.uk/) is a search engine for job ads used by over nine million visitors per month. Adzuna has the most complete index of UK job vacancies covering all regions in the UK. The technology collects every job vacancy advertised online in the UK from over 500 sources.
g) Bank of England Underground Blog

The Bank of England has a blog for its staff to share views that challenge – or support – prevailing policy orthodoxies. Three members of staff – David Count, David England and Imogen Shepherd – recently posted a very interesting new blog entitled ‘What do agents’ company visit scores say about weaknesses of wage growth?’ In this post, they report on what (previously unavailable) agents’ company visits scores (CVS) can say about current wage pressures in the economy, and the influence of a range of factors. We are very grateful for them for sharing with us these data.

We are especially struck by this statement:

‘In our view it is striking how stable the scores for pay growth have been over recent years at modest levels, consistent with private sector settlements reported to the Agents of around 2-3%. CVS for a broader measure of growth of total labour costs, which includes bonuses, commissions and pension costs, are somewhat higher, but also point to pretty modest growth, at rates below those that prevailed before the financial crisis.’

In Figure 3, we report using the blog post data what the agents’ contacts expect to happen to pay growth at their companies the following year. The chart suggests ‘pay growth only marginally above the current level’. And little changed since 2012, despite the fact the MPC continued to forecast rapidly rising wage growth in every year from 2012 on (see Blanchflower and Machin, 2016).

Figure 4, which also uses the blog post data, shows that during the recent period of low inflation, average labour costs growth scores in manufacturing have been a bit softer than for services. But there is only a little evidence here that inflation has been depressing pay growth.

h) Bank of England agents’ survey of pay and labour costs

There is also evidence from a recent special survey by the Bank of England’s agents of muted pay growth in 2015. The Agents examined evidence from 342 firms, with a combined employment of around 600,000 staff between late December 2015 and late January 2016.

Approximately 50% of actual settlements in 2015 are in the interval 2-3%; around 25% are in the interval 1-2%; and about 12% are 0-1%. Firms report a slight pick-up in their

15  http://bankunderground.co.uk/2016/02/15/what-do-agents-company-visit-scores-say-about-the-weakness-of-wage-growth/
16 ‘Agents’ summary of business conditions February 2016 Update’ Bank of England
expectations of settlements in 2016: 45% are in the interval 2-3%; 12% are 1-2%; and 12% are 0-1%.

There is some evidence of a pick-up at the top end with a rise in those reporting settlements over 3%. So mean settlements are expected to rise from 2.4% in 2015 to 2.8% in 2016, pulled up by the top end, with little or no rise at the median.

The 2015 rise of 2.4% is markedly higher than observed from other sources we have identified here. The small rise in expectations of settlements for 2016 reported in this survey is also not repeated in our other data sources, so this survey may well be unrepresentative and should be treated with a degree of caution.

4. Conclusions

The new evidence we have considered indicates that the current wage growth norm for average wages of around 2% is here to stay, at least for the short term, and maybe for longer. Moreover, the current norm for median wage growth is at an even lower level, and may be as low as 0%.

This is worrying given the continuing optimism that is expressed in wage growth forecasts, especially by the MPC and the OBR. We have pointed out before that over the new wage growth norm time period (which now spans nearly eight years), these forecasts have needed to be revised down repeatedly when actual wage growth has been observed. It seems likely that this will have to occur again.

Generating false optimism on wage growth is bad for the economy and bad for worker morale. The agencies generating such false optimism really should recognise the danger of this. It seems likely that in the forthcoming Budget, the Chancellor will have to downgrade his forecasts of UK finances because of the OBR’s overly optimistic wage growth forecasts. This matters.

References


Figure 1a:
Growth in average weekly earnings (AWE), January 2002 to December 2015

Notes: AWE and CPI numbers (three month averages) from ONS.
Figure 1b:
Growth in real average weekly earnings, January 2002 to December 2015

Notes: AWE total and regular (single month) from ONS.
Figure 2:
Main reason behind increasing base pay by 2% or less in 12 months to December 2015, from CIPD

- Organisation’s ability to pay more
- Restraint on public sector pay
- Absorbing the cost of the introduction of auto-enrolment pensions
- Current official rate of inflation
- Other labour costs (e.g. NI contributions, pension contributions)
- Increase in National Minimum Wage in October
- Anticipated continuation of current rate of inflation
- Movement in market rates/the going rate of rises elsewhere
- We have no recruitment and retention issues
- Poor employee productivity and performance

Percent Giving Reason
Figure 3:
Bank of England agents’ ‘company visits scores’ for pay growth and AWE private sector pay growth (%)
Figure 4:
Bank of England agents’ ‘company visits scores’
for growth in labour costs per head (%)
Table 1:
Most survey measures point to little acceleration in wage growth

<table>
<thead>
<tr>
<th>Averages</th>
<th>2002-07</th>
<th>2010-12(a)</th>
<th>2014</th>
<th>2015 H1</th>
<th>2015 Q3</th>
<th>2015 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBI(b)</td>
<td>n.a.</td>
<td>1.6</td>
<td>2.0</td>
<td>2.1</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>REC(c)</td>
<td>56.7</td>
<td>52.4</td>
<td>63.1</td>
<td>63.1</td>
<td>61.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Agents(d)</td>
<td>2.4</td>
<td>1.3</td>
<td>1.9</td>
<td>2.1</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>CIPD(e)</td>
<td>n.a.</td>
<td>1.2</td>
<td>2.0</td>
<td>1.9</td>
<td>2.0</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Sources: Bank of England, BCC, CBI, CIPD, KPMG/REC/Markit and Bank calculations from February 2016 Inflation Report Table 3C.

(a) Unless otherwise stated.
(b) Measures of expected wages over the year ahead for manufacturing, financial services, distribution and service sector, weighted together using employee job shares from Workforce Jobs.
(c) Quarterly averages of measures for permanent and temporary placements weighted together using employee job shares. A reading above 50.0 indicates growth on the previous month and those below 50.0 indicate a decrease. The greater the divergence from 50.0, the greater the rate of change signalled by the index.
(d) End-quarter observation for manufacturing and services weighted together using employee job shares. The scores refer to companies’ labour costs over the past three months compared with the same period a year earlier. The scores are on a scale of -5 to +5.
(e) Pay increase intentions (excluding bonuses) over the coming year. Data only available since 2012.
Table 2:  
AWE annual pay levels and growth (Source: ONS)

<table>
<thead>
<tr>
<th></th>
<th>Weekly earnings</th>
<th>Total pay</th>
<th>Weekly earnings</th>
<th>Regular pay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Single month (%)</td>
<td>Three-month average (%)</td>
<td>Single month (%)</td>
</tr>
<tr>
<td>Dec 14</td>
<td>£489</td>
<td>2.5</td>
<td>2.2</td>
<td>£456</td>
</tr>
<tr>
<td>Jan 15</td>
<td>£485</td>
<td>1.5</td>
<td>2.0</td>
<td>£457</td>
</tr>
<tr>
<td>Feb 15</td>
<td>£483</td>
<td>1.1</td>
<td>1.7</td>
<td>£458</td>
</tr>
<tr>
<td>Mar 15</td>
<td>£493</td>
<td>4.4</td>
<td>2.3</td>
<td>£460</td>
</tr>
<tr>
<td>Apr 15</td>
<td>£492</td>
<td>2.7</td>
<td>2.7</td>
<td>£461</td>
</tr>
<tr>
<td>May 15</td>
<td>£492</td>
<td>2.8</td>
<td>3.3</td>
<td>£461</td>
</tr>
<tr>
<td>Jun 15</td>
<td>£489</td>
<td>2.3</td>
<td>2.6</td>
<td>£462</td>
</tr>
<tr>
<td>Jul 15</td>
<td>£495</td>
<td>3.6</td>
<td>2.9</td>
<td>£463</td>
</tr>
<tr>
<td>Aug 15</td>
<td>£489</td>
<td>3.2</td>
<td>3.0</td>
<td>£463</td>
</tr>
<tr>
<td>Sep 15</td>
<td>£495</td>
<td>2.1</td>
<td>3.0</td>
<td>£463</td>
</tr>
<tr>
<td>Oct 15</td>
<td>£494</td>
<td>1.9</td>
<td>2.4</td>
<td>£463</td>
</tr>
<tr>
<td>Nov 15</td>
<td>£495</td>
<td>2.2</td>
<td>2.1</td>
<td>£465</td>
</tr>
<tr>
<td>Dec 15</td>
<td>£496</td>
<td>1.5</td>
<td>1.9</td>
<td>£465</td>
</tr>
</tbody>
</table>
Table 3:
LFS annual pay growth (Source: ONS)

<table>
<thead>
<tr>
<th></th>
<th>Weekly, full-time employees</th>
<th>Hourly, all employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
</tr>
<tr>
<td>Oct-Dec 13</td>
<td>£561</td>
<td>£480</td>
</tr>
<tr>
<td>Jan-Mar 14</td>
<td>£564</td>
<td>£480</td>
</tr>
<tr>
<td>Apr-Jun 14</td>
<td>£565</td>
<td>£481</td>
</tr>
<tr>
<td>Jul-Sep 14</td>
<td>£567</td>
<td>£481</td>
</tr>
<tr>
<td>Oct-Dec 14</td>
<td>£568</td>
<td>£481</td>
</tr>
<tr>
<td>Jan-Mar 15</td>
<td>£574</td>
<td>£481</td>
</tr>
<tr>
<td>Apr-Jun 15</td>
<td>£580</td>
<td>£481</td>
</tr>
<tr>
<td>Jul-Sep 15</td>
<td>£574</td>
<td>£481</td>
</tr>
<tr>
<td>Oct-Dec 15</td>
<td>£579</td>
<td>£481</td>
</tr>
</tbody>
</table>

12 Month growth rate to Oct-Dec 15
1.94%  0.00%  2.03%  0.75%