

Please find below our latest analysis of pay awards to the end of August 2021.

PAY AWARDS ANALYSIS

Private sector awards boost upper quartile of pay outcomes

The median pay award across the economy remained at 2.0% for the three months to August 2021, according to the latest analysis from IDR. Over half (54%) of awards are worth between 2.0% and 2.99% but a larger proportion of higher-end awards worth 3% or more in the private sector has pushed the upper quartile from 2.5% in the three months to July up to 2.9% in this latest analysis period. The proportion of pay freezes has grown but the number of pay outcomes worth less than 2% has fallen overall and now represents just under a third of our latest sample.

The private sector median has also remained at 2.0% but the interquartile range has widened from between 2.0% and 2.5% last month to 2.0% to 3.0% in the three months to August. This change is influenced by pay outcomes across the sector. In private services over a third (36%) of awards are worth 3% or more – up from around a fifth in our last analysis – in key industries such as road transport and business services. Meanwhile in manufacturing, higher-end awards now represent a fifth of all outcomes in the sector and have occurred in food, drink and tobacco and in some parts of engineering.

In contrast, awards in the public sector are generally lower and the median has fallen from 1.3% to 1.0% as pay freezes continue to dominate in the sector.

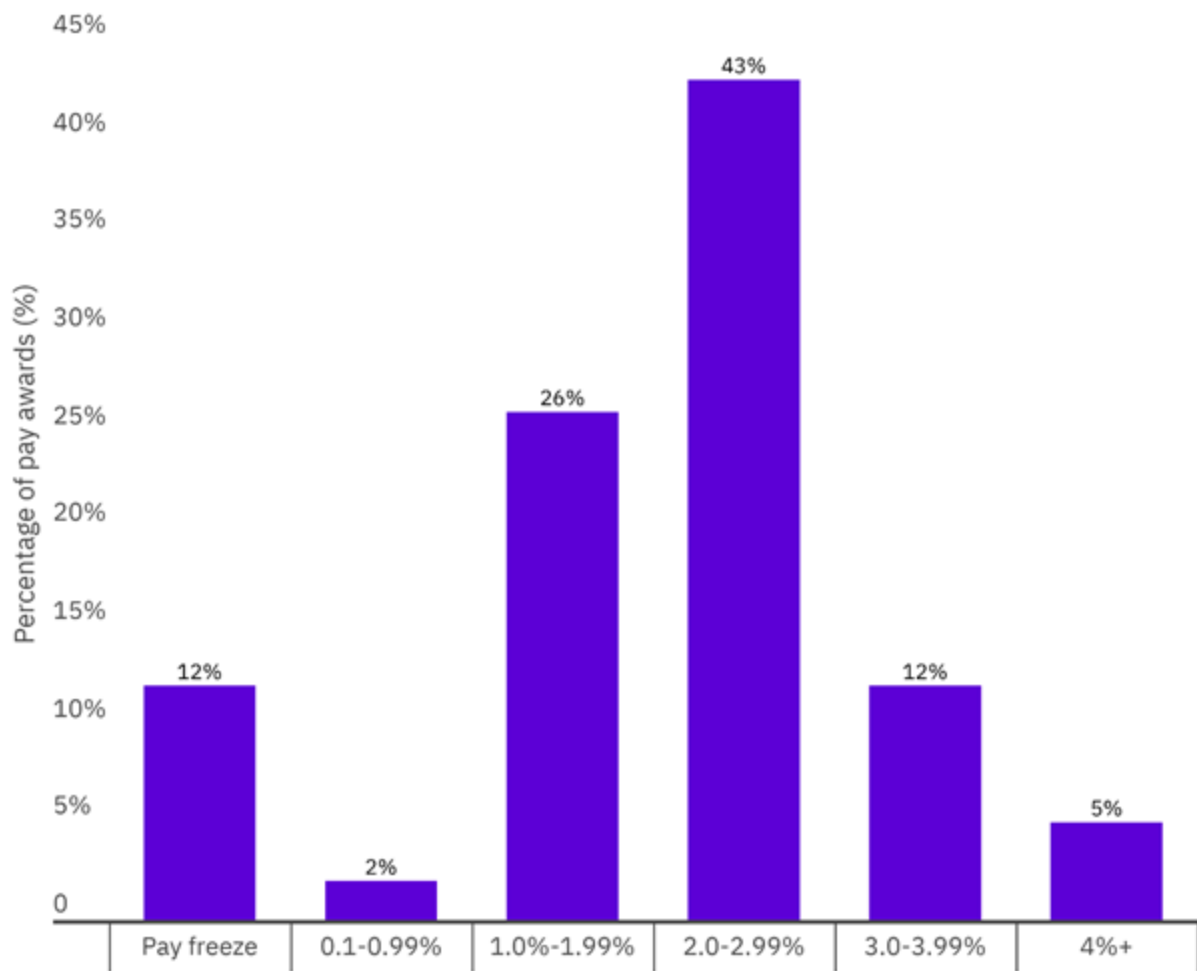
Pay awards in the three months to the end of August 2021

	Whole economy	Private sector	Manufacturing and production	Private services	Public sector
Lower quartile	1.5%	2.0%	2.0%	2.0%	0.0%
Median	2.0%	2.3%	2.3%	2.0%	1.0%
Upper quartile	2.9%	3.0%	2.8%	3.0%	1.7%

Based on 47 pay awards covering 781, 275 employees in total.

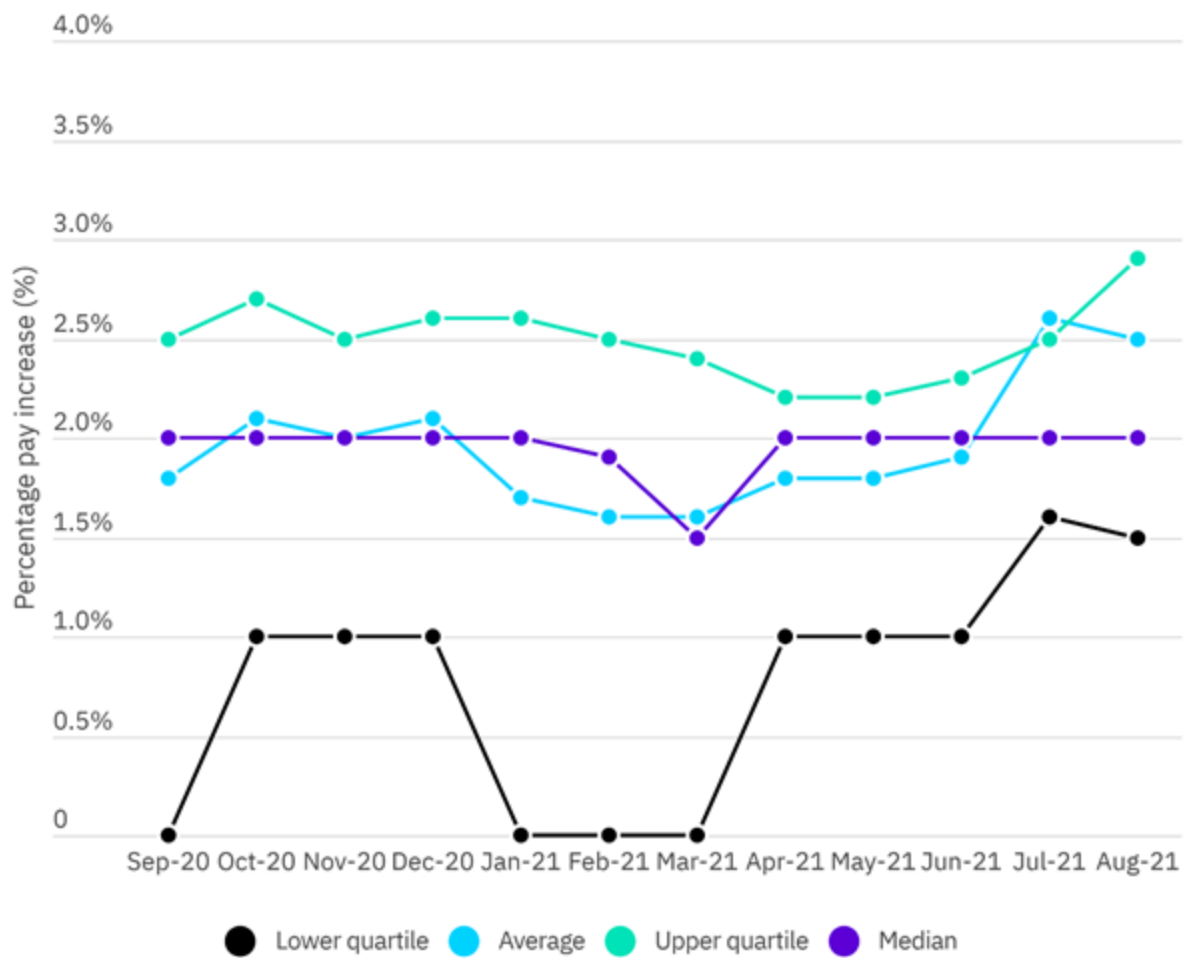
Source: IDR

Distribution of pay awards - three months to the end of August 2021



Source: IDR

Whole economy pay awards, September 2020 to August 2021



Source: IDR Pay Benchmarker