

Statistics Jersey: www.gov.je/statistics

The Index of Average Earnings in Jersey measures the annual change in average earnings (gross wages and salaries) that have occurred, and been paid, to workers in Jersey. It includes overtime payments, but excludes bonuses, employers' insurance contributions, holiday pay and benefits in kind (e.g. free accommodation or meals). The 2023 Index measures changes in average earnings paid between June 2022 and June 2023, on a full-time equivalent¹ (FTE) basis.

The index is determined from earnings data collected from a large representative survey of firms in the private sector and from all Government of Jersey Departments. This was the first year in which the survey was compulsory for businesses to complete under the provisions contained within the Statistics and Census (Jersey) Law 2018.

Summary

In June 2023:

- average earnings per full-time equivalent employee (FTE) were 7.7% higher than in June 2022
- after adjusting for inflation (the headline rate of inflation in Jersey in June 2023 was 10.9%²), average earnings fell in real terms by 2.8%
- over the last 10 years, average earnings have decreased in real terms by 2.7%
- over the twelve months to June 2023:
 - average earnings in the private sector increased by 7.8% in nominal terms (before adjusting for inflation) and in real terms fell by 2.8%
 - average earnings in the public sector increased by 7.4% in nominal terms and in real terms fell by 3.2%
- within the private sector:
 - the lowest increase in average earnings was recorded by the other business activities sector (this sector includes a wide range of predominantly private service-based businesses and includes care homes, cleaning companies, private education and leisure services), an increase of 5.2% on an annual basis
 - the agriculture sector saw the highest annual increase, up 19.8% on an annual basis; this was driven by an increase in hours worked in June 2023 compared to June 2022, with the increase in the minimum wage (13.9%) also contributing to the large increase in the sector
- median average earnings of full-time equivalent employees was £800³ per week
- mean average earnings of full-time equivalent employees was £920 per week
- around 14% of private sector employees were earning less than £12.19 per hour (the Jersey "Living Wage"⁴)
 - the agriculture and fishing (43%), hotels, restaurants & bars (40%) and wholesale and retail trades (36%) were the sectors with the highest proportion of employees earning less than the living wage

¹ Average earnings are calculated on the basis of a full-time equivalent (FTE) worker. Workers include full-time and part-time employees and also self-employed people. Part-time employees are weighted in the calculation of FTEs according to hours worked.

² As measured by the annual change in the Jersey Retail Prices Index (RPI). The real-term change in average earnings is calculated from the respective indices, which are published rounded to 1 decimal place.

³ Throughout the report monetary figures are rounded to the nearest £10, all percentages and indices are rounded to 1dp.

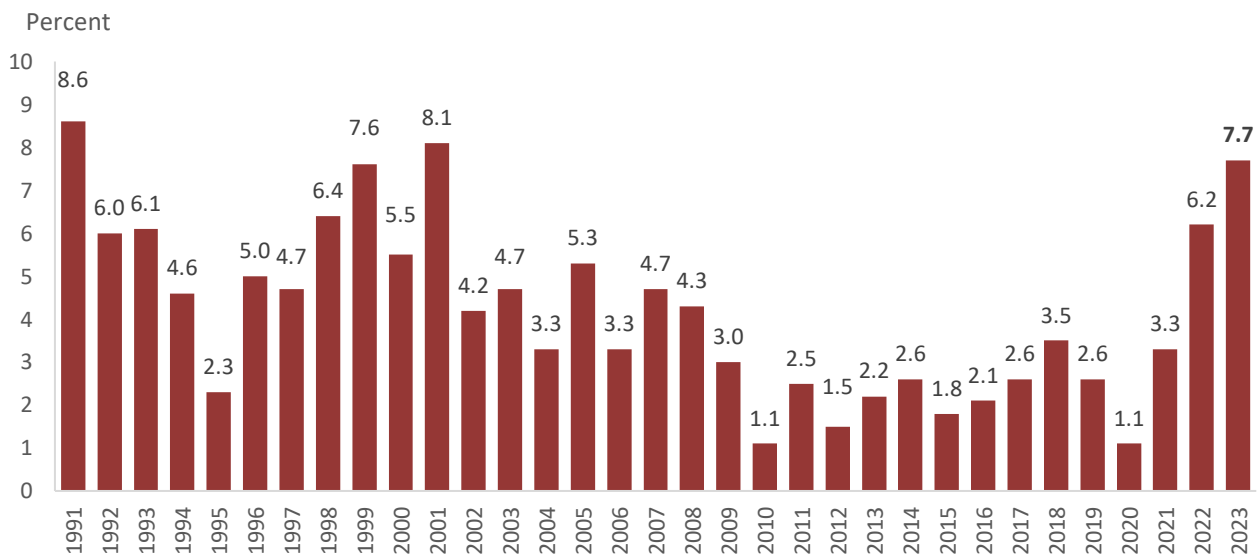
⁴ [Caritas Jersey](https://www.caritasjersey.org) sets the level of the living wage in Jersey and has been licensed by the Living Wage Foundation in the UK to manage and co-ordinate its promotion in Jersey. The living wage aims to ensure that, on average, a worker, topped up by in-work benefits, is able to meet basic living costs associated with living in Jersey. The Jersey minimum wage is currently £10.50.

Index of Average Earnings

Figure 1 shows annual percentage changes in the Index of Average Earnings since 1991 in June of each year. In June 2023 all-sector average earnings were 7.7% higher than in June 2022.

The latest annual increase is 1.5 percentage points higher than that recorded over the previous twelve-month period (6.2% to June 2022).

Figure 1 – Annual percentage change in the Index of Average Earnings, 1991-2023



The latest annual increase is the highest recorded since June 2001, although this should be taken in the context of the recent high level of inflation experienced in Jersey. See [page 5 of this report](#) for real-term average earnings figures (i.e. adjusted for inflation).

The latest increase is higher than the preceding five-year annual average of 3.3% per year, and higher than the long-term annual average of 4.1% per year since 1990.

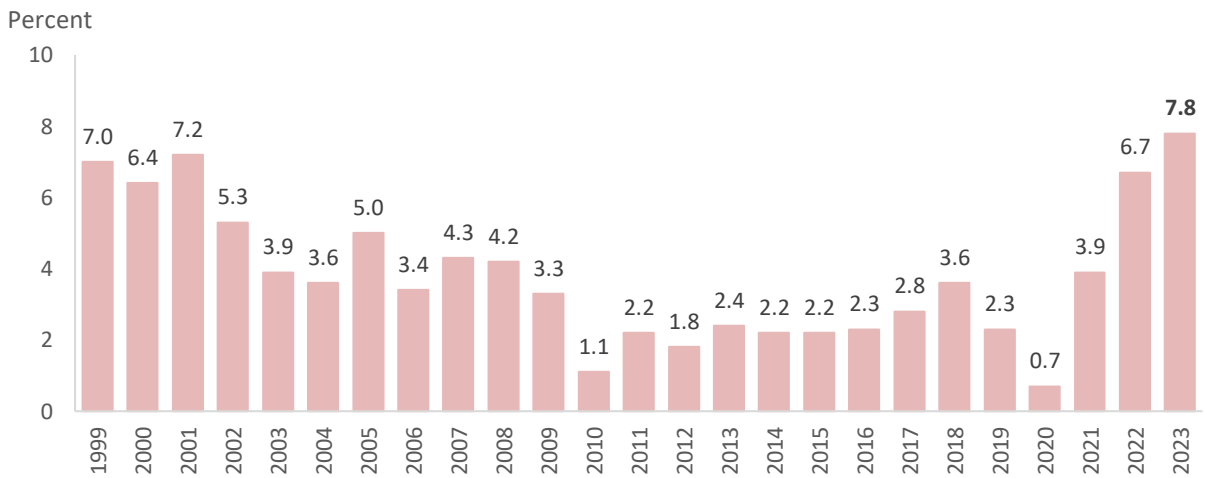
Private sector

Over the twelve months to June 2023, average earnings in the private sector, overall, rose by 7.8%. This latest annual increase was the highest nominal (not adjusted for inflation) increase ever recorded for the private sector.

This latest annual increase is above the preceding five-year annual average of 3.4% per year and higher than the increase seen for the previous twelve-month period (6.7% to June 2022) – see Figure 2.

Between 1999 and 2008, earnings in the private sector had increased at an average annual rate of 4.8% per year. For the subsequent 12-year period, from 2009 to 2021, the average annual increase was 2.4% per year. The last two years have seen large nominal increases in average earnings for the private sector, averaging 7.2% from 2022 to 2023.

Figure 2 – Private sector annual percentage change in average earnings from 1999 to 2023

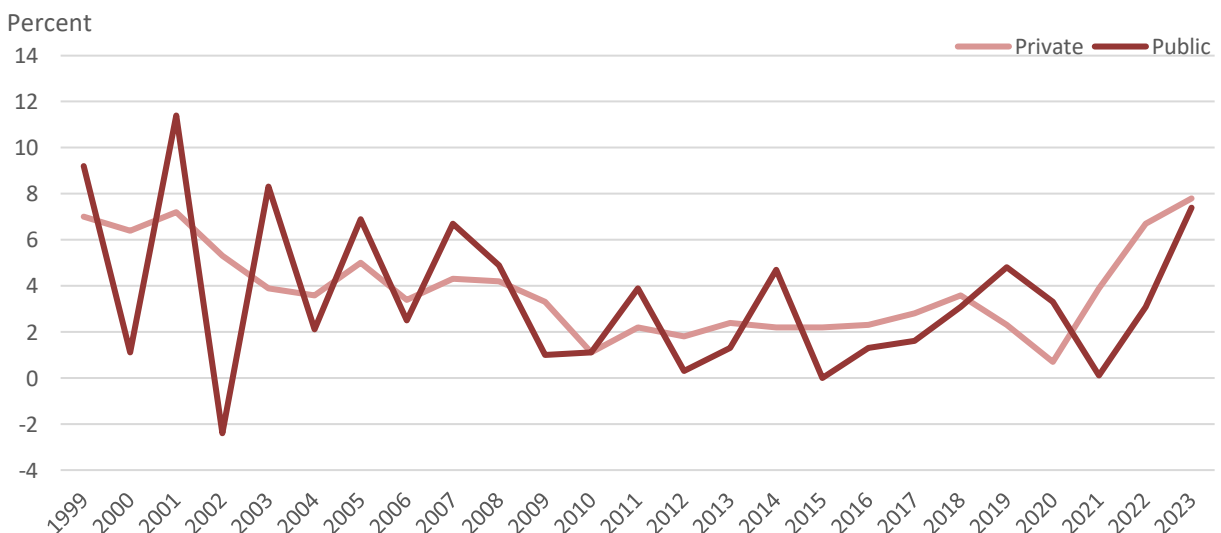


Public sector

Average earnings in the public sector increased by 7.4% over the twelve months to June 2023. Some pay groups in the public sector recorded significantly higher levels of overtime in 2023 compared to 2022. This was offset by some pay groups, notably teachers and nurses, not receiving an agreed pay award in the most recent calendar year. This resulted in the overall level of increase observed being below that of the headline pay award (7.9%).

Comparison of the rate of growth of earnings in the public and private sectors is complicated by lags in the implementation of pay awards for some public sector pay groups, as is apparent in Figure 3.

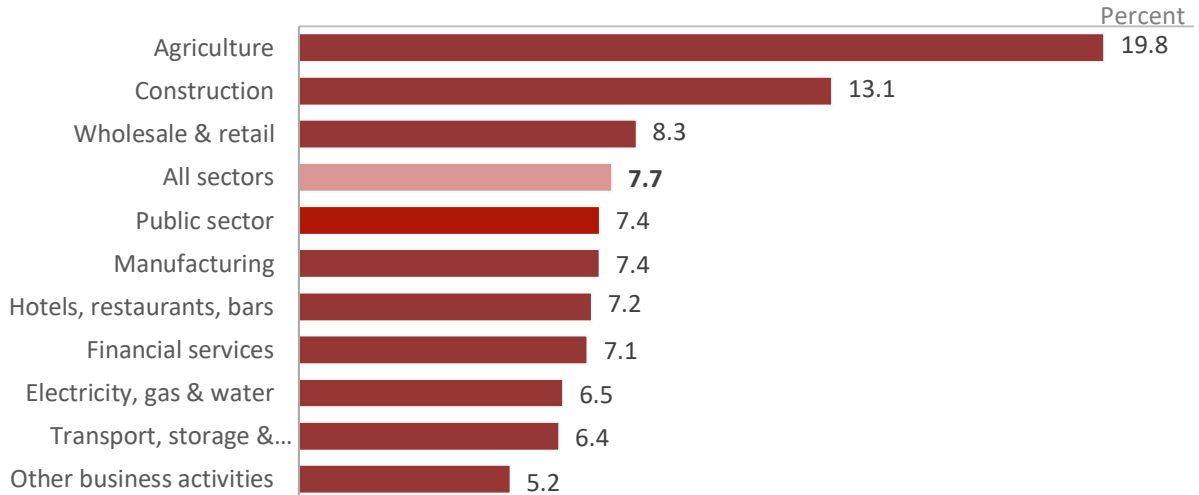
Figure 3 – Public and private sector annual percentage change in average earnings from 1999 to 2023



Individual business sectors

Figure 4 shows that the change in average earnings for the individual business sectors over the year to June 2023 ranged from an annual increase of 5.2% to 19.8%.

Figure 4 – Annual percentage change in average earnings by sector, June 2023



Transport, storage and communications includes Ports of Jersey, Jersey Post and JT Global.

Other business activities includes businesses servicing other businesses/households, private sector education, health, Family Nursing and Home Care, Andium Homes Ltd. and other services.

Changes in average earnings for the individual sectors included:

- average earnings in agriculture increased by 19.8% on an annual basis; hours worked in the sector were significantly higher in June 2023 compared to June 2022, and the increase in the minimum wage (from £9.22 to £10.50 per hour, or 13.9%) has contributed to the large increase in the sector
- the construction sector recorded an increase of 13.1% in average earnings, this was driven by some companies awarding substantial pay increases to staff and more overtime being worked compared with June 2022
- average earnings in the wholesale and retail sector increased by 8.3% on an annual basis, this was driven by some companies awarding substantial pay increases to staff and the increase in the minimum wage
- average earnings in the public sector increased by 7.4%; this was slightly below the headline pay award of 7.9% for Government of Jersey employees, as some pay groups had not received an agreed pay award
- manufacturing saw an increase of 7.4% in average earnings; this was driven by pay increases to staff and more overtime being worked compared with June 2022
- average earnings in hotels, restaurants and bars increased by 7.2% on an annual basis, partially attributable to the increase in the minimum wage; the other driving factor was some companies awarding substantial pay increases to staff
- average earnings (excluding bonuses) in the finance sector rose by 7.1%; this was the highest increase for the sector since 2002
- average earnings in the other business activities sector rose by 5.2% on an annual basis; this sector includes a wide range of businesses and includes care homes, cleaning companies, private education and leisure services; this rise was driven by pay increases given to staff

Average earnings in real terms

The change in average earnings may be considered in ‘real terms’, adjusting for retail price inflation⁵.

Figure 5 shows the Index of Average Earnings since 1990 in nominal (not adjusted for inflation) and in real terms (adjusted by the Jersey Retail Prices Index, RPI). In nominal terms, since 1990 average earnings in Jersey have more than tripled, increasing by around 285%. After adjusting for inflation, average earnings have increased by around 13% over this 33-year period.

Figure 5 – Index of Average Earnings in nominal and real terms (June 1990=100)

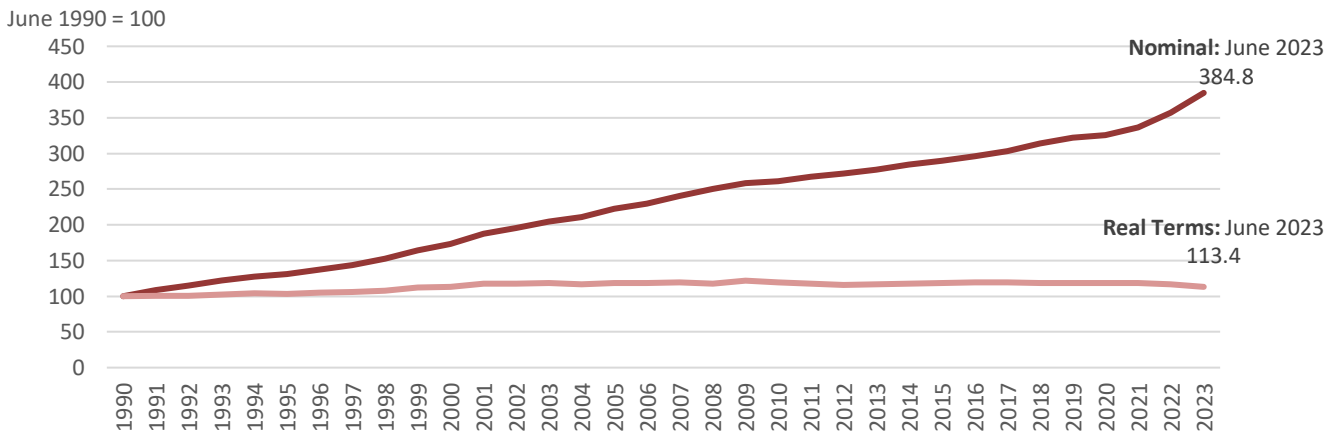
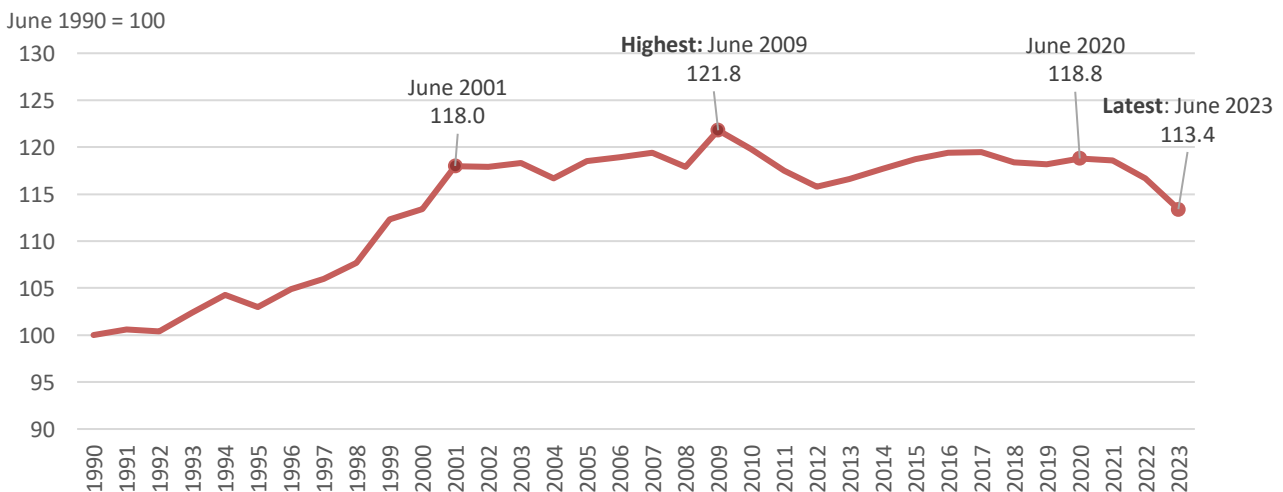


Figure 6 shows the Index of Average Earnings in real terms since 1990. It is apparent that in Jersey there have been three periods of change in real-term average earnings:

- 1990-2001 saw real-term growth in earnings of more than a sixth (18%) over the period
- 2001-2020 saw earnings remain essentially flat in real terms, increasing by 0.7% over the 19-year period
- 2020-2023 saw earnings decrease in real terms, decreasing by 4.6% over the 3-year period

Figure 6 – Index of Average Earnings in real terms from 1990 to 2023 (June 1990=100)

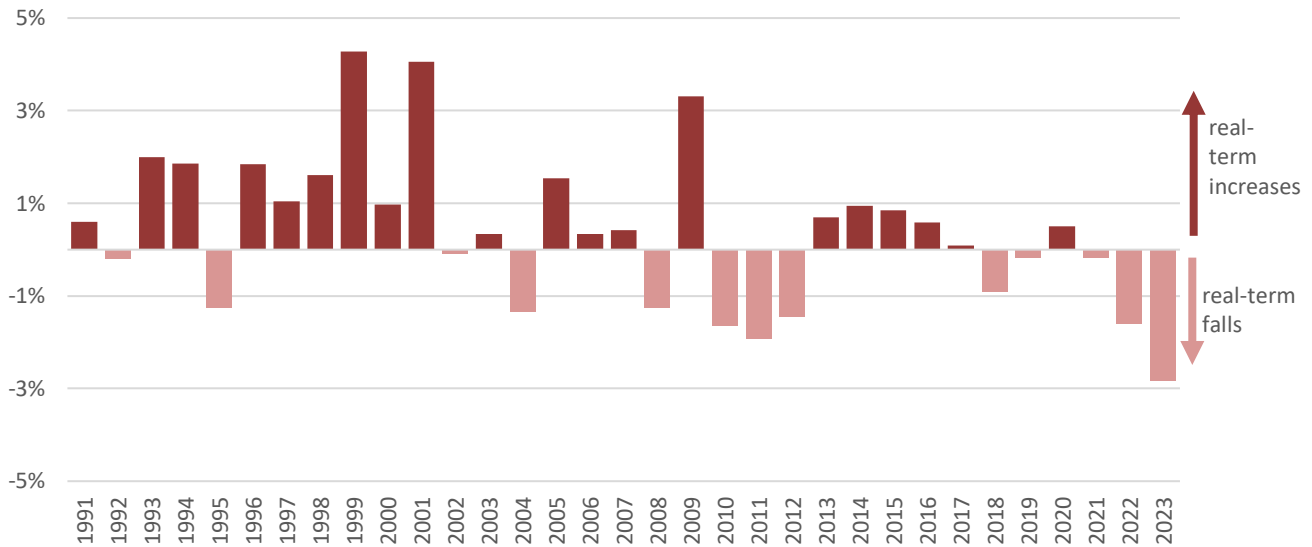


The level of average earnings in real terms in June 2023 were the lowest seen since June 2000.

⁵ The increases in retail prices used in this analysis are based on the indices in June of each year and can be found in the Jersey [Retail Prices Index report – June 2023](#)

Figure 7 shows the real-term annual percentage change in average earnings for each year from 1991 to 2023.

Figure 7 – Real-term annual percentage change in the Index of Average Earnings, 1991 to 2023



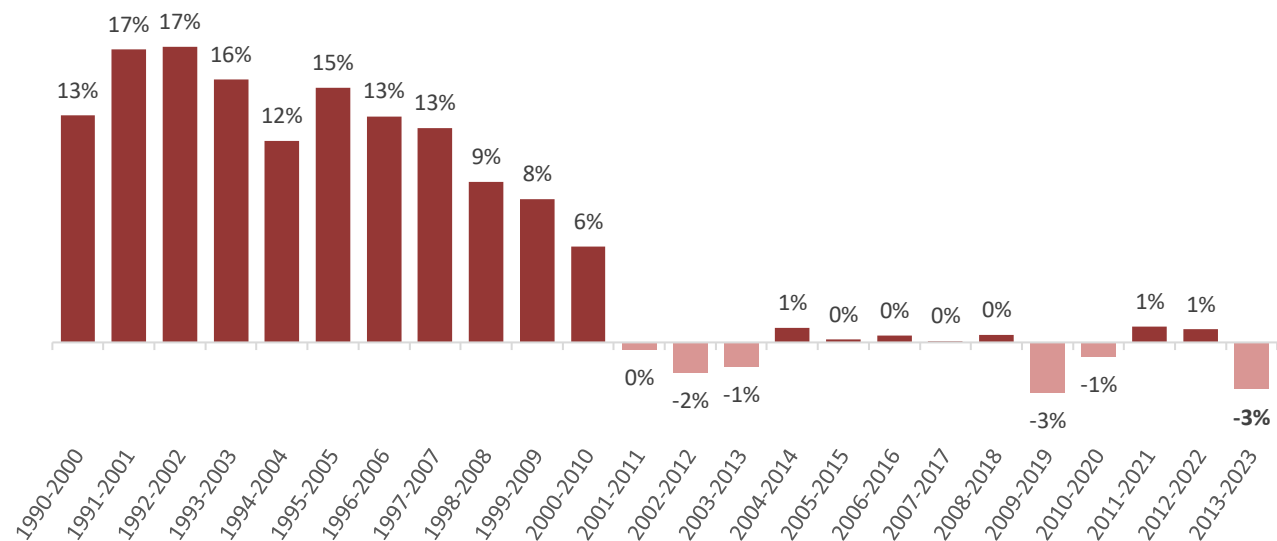
During the twelve months to June 2023 the Jersey RPI increased by 10.9%, representing the highest headline annual rate of inflation for the month of June. Over the same period, average earnings increased by 7.7%, meaning that earnings decreased by 2.8% in real terms.

The latest twelve months represents the fifth time in six years that earnings have decreased in real terms.

The real-term earnings may also be considered over a longer time period than simply the annual change. Figure 8 shows 10-year total changes in real-term earnings since the decade ending 2000; where two distinct periods of earnings change are apparent:

- prior to the decade ending 2010, the average 10-year real-term increase in average earnings was around 13%
- since 2011, there has been essentially no improvement in real-term earnings in each of the subsequent 10-year periods

Figure 8 – Rolling 10-year total change in average earnings, in real terms



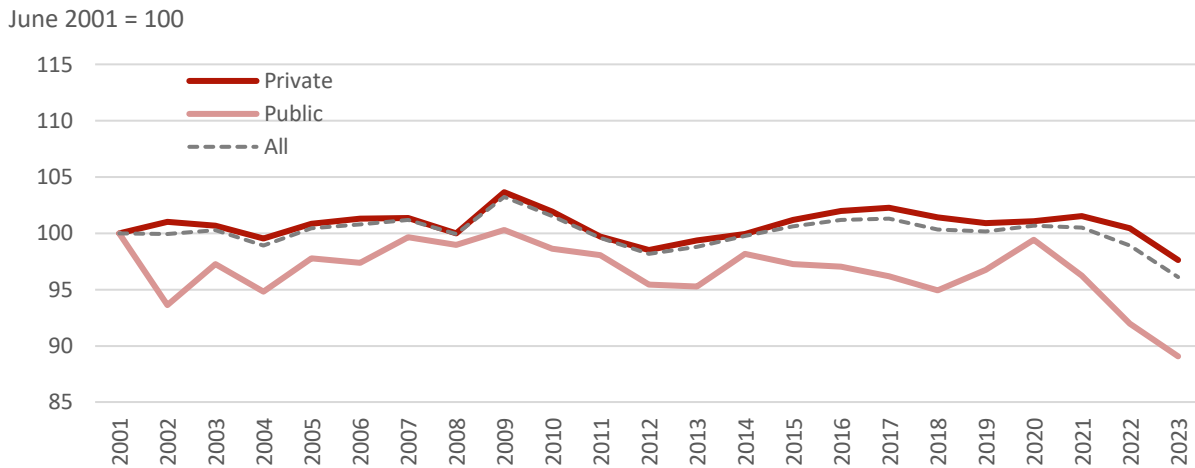
Percentage changes are presented rounded to the nearest integer.

In the most recent 10-year period (2013-2023) average earnings have decreased by 2.7% in real terms.

Public and private sectors in real terms

Figure 9 shows real-term average earnings for the public and private sectors separately since 2001, expressed as indices.

Figure 9 – Index of Average Earnings in real terms for the public and private sectors from 2001 to 2023 (June 2001 = 100)



All-sector earnings have decreased by 3.9% in real terms since 2001 whilst private sector earnings have decreased by 2.4%. Public sector earnings have decreased by 10.9% over the same period.

During the latest twelve-month period, average earnings in the public sector decreased by 3.2%⁶ in real terms and decreased by 2.8% in real terms in the private sector.

Level of earnings

The methodology used to compile the Index of Average Earnings is specifically designed to measure the change in average earnings. However, the data collected also provides information on the level of earnings in June: the mean average weekly earnings *per full-time equivalent (FTE)* employee.

On an FTE basis, part-time staff are converted into full-time equivalents based on the number of hours worked. Part-time workers will, therefore, actually earn a fraction of the weekly averages presented, depending on the proportion of a full-time week worked.

It should be noted when interpreting these results that as a consequence of the earnings distribution being asymmetric (i.e. skewed towards higher values) the mean provides a higher measure of “average” earnings than the median.

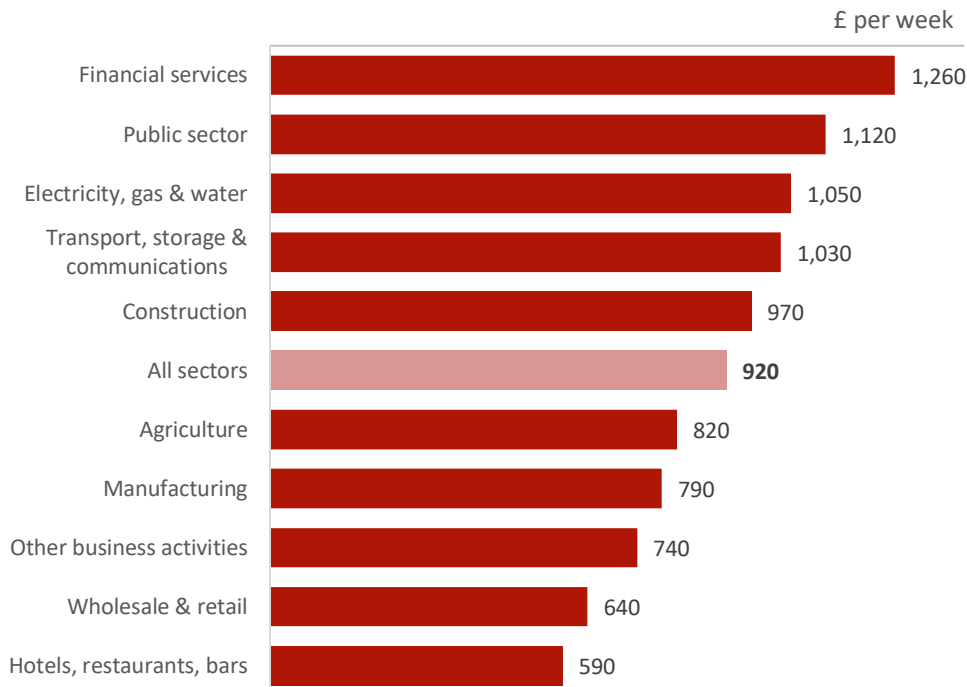
Analysis of the distribution of incomes from the Jersey Income Distribution Survey (IDS) indicates that around two-thirds of workers earn less than the mean earnings. The level of average earnings derived from this survey should therefore be considered as an indicative measure, particularly for comparisons between sectors.

⁶ Real-term change is calculated using published, rounded indices for the AEI and RPI. As such it is not directly calculable from the rounded percentage changes of these indices.

Figure 10 shows that mean average weekly earnings for full-time equivalent (FTE) employees in Jersey in June 2023 was £920 per week⁷.

At a sectoral level, average earnings per FTE (excluding bonuses) ranged from £590 per week in hotels, restaurants and bars to £1,260 per week in financial services.

Figure 10 – Average weekly earnings in June 2023, by sector (£ per week per FTE)



Transport, storage & communications includes Jersey Airport, Ports of Jersey, Jersey Post and JT Global

Other business activities includes the miscellaneous business activities sector and private sector Education, health and other services

Average weekly earnings reflects how much is actually earned by the employees in the reference period (either the final week or June or the whole month of June depending on how frequently staff are paid). Therefore, it is subject to fluctuations in the number of hours actually worked by full time staff during that period. The agriculture sector recorded an increase in the level of average earnings this year, driven in part by increased hours worked in the final week of June.

Median earnings

A median average cannot be calculated from the company-level data collected for the Index of Average Earnings, since this requires earnings at an individual employee level.

The Jersey Living Costs and Household Income Survey (LCHIS) carried out in 2021/22 collected information on individual employment earnings, enabling an estimate of median employment earnings to be determined. The most recently published estimate⁸ was £730 for March 2022.

The results derived from the LCHIS data have been up rated from the survey period using the Index of Average Earnings to provide an estimate of median earnings in June 2023 of £800 per week per FTE employee (see the [appendix](#) for methodology).

⁷ The figures for the levels of weekly earnings shown in Figure 10 should be considered as estimates with a 95% confidence interval of approximately ±£20. See [appendix](#) for notes on uncertainty levels for individual sectors.

⁸ [Jersey Household Income Distribution report](#)

Comparison with the UK

The earnings measures for the two jurisdictions are not strictly comparable due to differing methodologies⁹. However, it can be inferred that overall average earnings in both the UK and Jersey increased over the year to June 2023 (see Table 1).

Table 1 – Annual increases in average earnings in Jersey and the UK¹⁰, June 2023

	All-sector	Public	Private
Jersey	7.7	7.4	7.8
UK	7.9	6.4	8.3

Private sector earnings increased in the UK (8.3%) and increased in Jersey (7.8%) over the twelve months to June 2023.

In the UK, annual increases were recorded in all sectors. Increases were seen in retail trade and repairs (8.2%), manufacturing (7.9%), accommodation and food service activities (7.7%) and construction (5.7%). The finance and business services sector in the UK recorded an increase of 9.6%.

Public sector earnings increased at a higher rate in Jersey than in UK over the twelve months to June 2023 (up by 7.4% and 6.4% respectively).

Living wage

This year the survey included an additional question on employees earning less than £12.19 per hour (the Jersey “Living Wage”). Respondents to the survey were asked about the number of employees who had an hourly rate of pay less than this.

The headcount of employees earning below this level were then totalled and scaled up within each sector. This provided sectoral and overall estimates for the number of employees earnings less than the living wage hourly rate.

This is compared with the total headcount for each sector from the June 2022 Labour Market to produce an estimated proportion of each sector who earn below the living wage.

⁹ The Average Earnings Index (AEI) in the UK has been replaced as the headline measure of average earnings by the Average Weekly Earnings (AWE) statistic. The AWE measure uses headcount rather than FTE; furthermore, unlike the AEI, the AWE does not require application of the matched pair approach for respondent companies (see [appendix](#) for notes).

¹⁰ Non-seasonally adjusted figures

Table 2 – Proportion of workers earning less than the living wage in June 2023, by sector

	Headcount	% paid below £12.19 per hour
Agriculture and fishing	1,690	43%
Manufacturing	1,240	4%
Electricity gas and water supply	530	~
Construction and quarrying	6,260	8%
Wholesale and retail trades	7,390	36%
Hotels, restaurants & bars	6,060	40%
Transport, storage and communication	2,840	2%
Financial and legal activities	13,360	~
Other business activities	15,450	8%
Private Sector Total	54,820	14%
Public sector	8,840	~
All sector Total	63,660	12%

~ signifies where less than 1% of the sector are paid below this amount.

Appendix - methodology

The Index of Average Earnings in Jersey is determined from earnings data collected from a large representative sample of firms in the private sector and from all Government of Jersey Departments. This was the first year in which the survey was made compulsory under the provisions of the Statistics and Census (Jersey) Law 2018.

The Index of Average Earnings is compiled annually, using a “matched pair” approach. The main purpose of the Index is to provide a measure of the change in earnings.

Sampled firms report earnings paid in June if paid monthly, or in the final week of June if paid weekly: the total gross wages and salaries paid to employees before any deductions are made for tax, employees’ social security contributions, employees’ contributions to pension funds, etc. The reported figures are to include any Jersey weighting allowances, non-contractual gifts and commission. Redundancy pay, directors’ fees and employers’ contributions to insular insurance and pension schemes are not included; bonus payments, holiday pay and back pay are also excluded.

Companies are also asked to provide the number of staff covered by the earnings payments reported. Part-time staff are converted into Full-Time Equivalent (FTEs) according to numbers of hours worked. In this way the overall measured change is less susceptible to changes in the proportions of full-time and part-time employees in the workforce.

From the information collected, the average weekly earnings is calculated for each respondent company, salaries paid monthly or four-weekly having been converted into weekly figures. The average weekly earnings for each company is then compared with that of the previous year in order to calculate an annual percentage change. Only companies with a “matched pair” of earnings for the current and previous years are included in the final calculation of the index.

Mean average earnings are aggregated for each sector, in order to calculate a measure of average weekly earnings by sector. These sectoral averages are then weighted together according to the sectoral share of total employment to give the overall average weekly earnings and hence percentage change between one year and the next.

This survey is designed to measure changes in average earnings by matching records in consecutive years from sampled firms. Hence, the figures for the levels of weekly earnings should be considered as estimates with a 95% confidence interval of approximately $\pm£20$. The levels of earnings determined for June 2022 using 2023 data are consistent at this level of uncertainty for all sectors, except other business activities and transport, storage and communication. The variation is due to revisions in the 2022 data to ensure comparison on a like-for-like basis with the current year. However, the change in average earnings for sectors, and overall, are unaffected by the changes in level.

An estimate of median employment earnings has been produced using data from the 2021/22 Jersey Living Costs and Household Income Survey. This approach uses gross earnings of employees and the self-employed (excluding bonuses) to derive an hourly rate, which is then uprated to a full-time equivalent. Earnings data are weighted according to industry, to ensure the sample of jobs is representative of employment in Jersey.

Response rate and coverage

- 500 eligible firms in the private sector were sent a survey questionnaire and around 410 completed questionnaires were received back, representing a response rate of 82%.
- Of the returned questionnaires, fewer than three-fifths (55%) were matched with a return from the previous year and were subsequently validated and used in the final compilation of the Index. This is lower than previous years due to the much higher overall response rate since making the survey compulsory.
- The number of employees whose earnings are used to calculate the Index of Average Earnings represents around two-fifths (43%) of all workers in Jersey.

Statistics Jersey, 25 August 2023

Appendix – data tables¹¹

Table A1: Index of Average Earnings for Jersey in nominal (headline) and real terms
- index values and annual percentage changes (at June of each year).

	Nominal (headline)		Real terms*	
	Index	% Change	Index	% Change
1990	100.0		100.0	
1991	108.6	8.6	100.6	0.6
1992	115.1	6.0	100.4	-0.2
1993	122.1	6.1	102.4	2.0
1994	127.7	4.6	104.3	1.9
1995	130.6	2.3	103.0	-1.2
1996	137.1	5.0	104.9	1.8
1997	143.5	4.7	106.0	1.0
1998	152.7	6.4	107.7	1.6
1999	164.3	7.6	112.3	4.3
2000	173.4	5.5	113.4	1.0
2001	187.4	8.1	118.0	4.1
2002	195.2	4.2	117.9	-0.1
2003	204.3	4.7	118.3	0.3
2004	211.1	3.3	116.7	-1.4
2005	222.2	5.3	118.5	1.5
2006	229.5	3.3	118.9	0.3
2007	240.2	4.7	119.4	0.4
2008	250.6	4.3	117.9	-1.3
2009	258.0	3.0	121.8	3.3
2010	260.9	1.1	119.8	-1.6
2011	267.3	2.5	117.5	-1.9
2012	271.4	1.5	115.8	-1.4
2013	277.4	2.2	116.6	0.7
2014	284.5	2.6	117.7	0.9
2015	289.7	1.8	118.7	0.8
2016	295.8	2.1	119.4	0.6
2017	303.4	2.6	119.5	0.1
2018	314.0	3.5	118.4	-0.9
2019	322.3	2.6	118.2	-0.2
2020	325.8	1.1	118.8	0.5
2021	336.5	3.3	118.6	-0.2
2022	357.2	6.2	116.7	-1.6
2023	384.8	7.7	113.4	-2.8

* The real terms Index of Average Earnings is calculated as the nominal (headline) Index of Average Earnings divided by the Jersey All Items Retail Prices Index (RPI) at June each year.

¹¹ Data tables can be downloaded from <https://opendata.gov.je/dataset/average-earnings-index>

Table A2: Annual percentage change in average earnings by sector: 2001-2023

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture	7.7	-3.3	-2.5	0.6	8.2	6.1	0.0	6.5	5.9	3.3	-10.1	-3.1	12.7	4.5	0.5	1.9	3.0	5.7	3.3	-11.9	-1.0	21.1	19.8
Manufacturing	7.0	0.2	5.5	3.3	6.5	2.1	3.2	3.8	0.6	1.9	2.3	3.0	2.2	3.7	0.5	2.0	2.9	2.4	3.9	2.0	7.0	0.3	7.4
Electricity, gas & water	4.9	5.1	4.8	4.0	8.7	2.3	3.8	5.0	4.7	2.0	3.3	3.0	3.2	1.4	1.7	2.5	1.7	2.4	3.4	0.0	2.8	3.0	6.5
Construction	4.6	8.3	-1.1	4.4	5.7	2.2	6.7	3.5	2.9	0.2	2.6	1.6	5.2	1.3	1.4	4.1	3.2	6.7	2.1	0.6	5.0	5.0	13.1
Wholesale & retail	4.6	5.0	3.4	3.5	5.5	1.9	3.8	4.2	3.2	1.6	2.8	3.3	0.7	1.4	1.9	2.0	1.9	2.6	2.5	0.6	1.7	9.4	8.3
Hotels, restaurants & bars	10.7	1.8	4.2	3.2	3.2	4.0	2.3	5.1	2.3	1.8	1.5	1.5	1.5	1.6	1.7	3.5	3.5	4.3	4.9	-10.2	15.7	11.9	7.2
Transport, storage & communications	7.3	2.3	7.0	3.8	4.6	6.3	4.3	3.1	4.4	1.3	3.3	1.0	0.1	3.1	2.9	1.7	2.2	3.6	1.2	1.9	1.1	3.9	6.4
Financial services	8.4	7.5	5.6	3.4	4.5	3.9	4.9	4.6	3.5	1.0	2.4	2.1	2.6	2.4	3.2	2.5	2.9	2.9	1.8	2.1	2.9	4.4	7.1
Other business activities	8.3	5.6	5.3	3.9	5.0	2.6	3.5	3.5	3.0	1.0	3.1	0.6	1.0	1.8	1.3	1.0	2.8	3.1	2.3	3.2	4.4	9.1	5.2
All private sectors	7.2	5.3	3.9	3.6	5.0	3.4	4.3	4.2	3.3	1.1	2.2	1.8	2.4	2.2	2.2	2.3	2.8	3.6	2.3	0.7	3.9	6.7	7.8
Public sector	11.5	-2.4	8.3	2.1	6.9	2.5	6.7	4.9	1.0	1.1	3.9	0.3	1.3	4.7	0.0	1.3	1.6	3.1	4.8	3.3	0.1	3.1	7.4