

Earnings by Qualification, 2011

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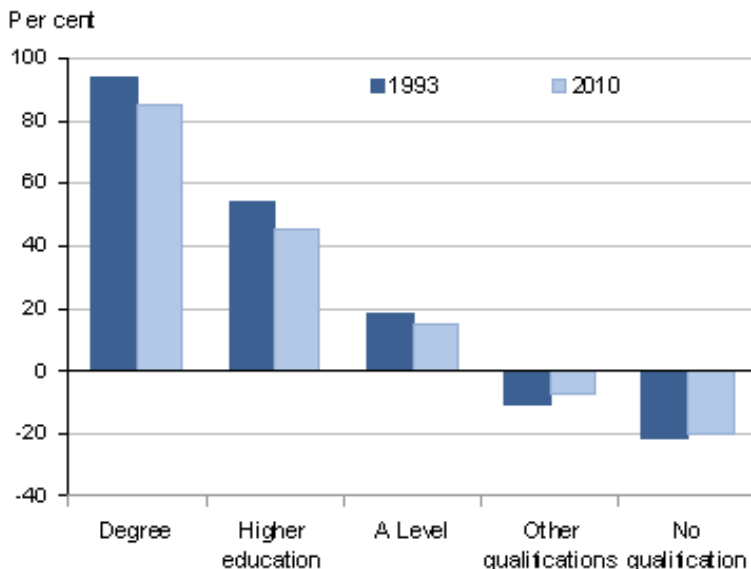
Animated YouTube Video

A podcast explaining this story using audio commentary and graphical animations is available on the [ONS YouTube channel](#).

Earnings by Qualification in the UK

Average pay difference for education beyond GCSE level decreases

Percentage pay gap to employees with GCSE or equivalent level of education, age 22 to 64



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People with the highest education qualifications tend to earn more, however the pay gap comparing employees educated to around the GCSE or equivalent level with those educated to a higher level was lower in 2010 than in 1993 (the earliest year for which data is comparable).

This analysis focuses on employees aged 22 to 64 because most people have completed their full-time education by this age. In the final quarter of 2010, hourly earnings from the Labour Force Survey show that when comparing employees educated to around the GCSE or equivalent level with those educated to higher levels:

- employees with a minimum of a degree earned, on average, around 85 per cent more (95 per cent in 1993),
- with a higher education qualification (but not degree) employees earned around 45 per cent more (54 per cent in 1993),
- those educated to around the A Level or an equivalent qualification earned around 15 per cent more per hour (18 per cent in 1993).

An explanation of what is included within each education level is available in the [supporting spreadsheet \(37 Kb Excel sheet\)](#).

The pay gap to employees with no formal educational qualification has been reasonably stable over time and these employees earned around 20 per cent less than employees educated up to GCSE level in 2010. Also for those with other qualifications, which are typically those below the GCSE A* to C level and includes many qualifications obtained abroad, they earned around 7 per cent less in 2010.

In the final quarter of 2010, the median hourly pay for employees educated up to around the GCSE or equivalent level was £8.68, for those around A Level or equivalent, £10.00, up to higher education £12.60, and for those with a minimum of a degree median pay stood at £16.10. Those with no qualifications earned around £6.93 and with other qualifications the median stood at £8.07.

Looking at the distribution of pay for each qualification level and comparing them:

- for those employees with a minimum of a degree the bottom 15 per cent of the pay distribution earned less than the average for those educated to around the GCSE or equivalent level,
- compared to the average pay for those educated to around the A Level or equivalent qualification, the bottom 20 per cent of employees with a minimum of a degree earned less.

Lower-skilled jobs for those educated to around the GCSE level

Earnings are linked to the skill level of the job that is performed. Grouping occupations into four skill levels and considering qualifications by skill level, people with a higher level of qualification are more likely to work in higher-skilled occupations. However having low levels of qualification does not always act as a barrier to working in jobs requiring high skill. For example, in 2010, around 7 per cent of workers with no qualifications were employed in high skill occupations, typically working as retail and wholesale managers, production works and maintenance managers, and marketing and sales managers.

Skill level of job by highest qualification attained, age 22 to 64

	Per cent				
	High	Upper-middle	Lower-middle	Low	All
Degree	56.6	26.7	14.5	2.3	100
Higher education	30.8	37.6	27.7	3.9	100
A Levels	17.8	38.1	37.0	7.2	100
GCSE grades A*-C	13.7	23.2	49.5	13.6	100
Other qualifications	11.7	23.3	41.2	23.9	100
No qualification	6.9	22.3	39.6	31.1	100
All qualifications	28.3	29.1	32.5	10.1	100

Table notes:

1. Labour Force Survey, UK, October-December 2010, based on Standard Occupational Classification 2000

Download table

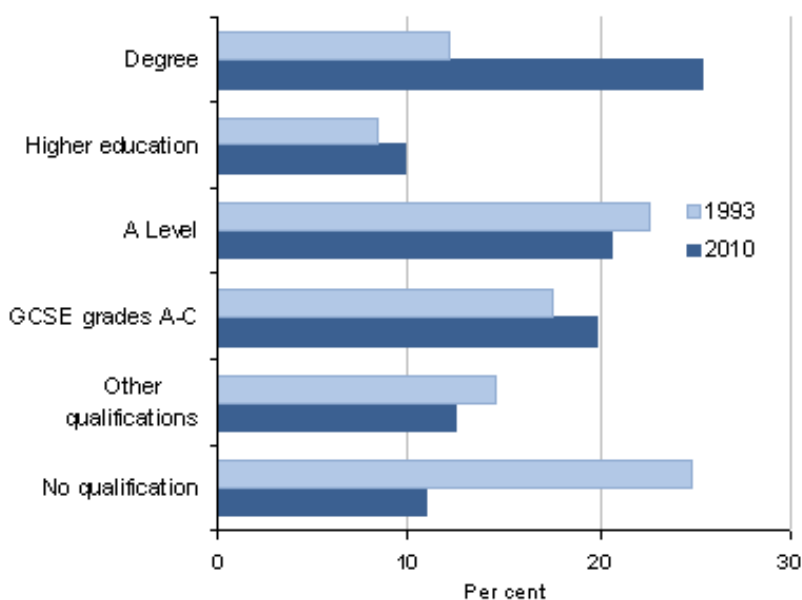
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In Q4 2010:

- around two-thirds of workers educated to around the GCSE or equivalent level were employed in the two lowest skill groups, and around 14 per cent were employed in the highest skill group,
- for those workers with a minimum of a degree, around 17 per cent were employed in the two lowest skill groups, and around 57 per cent were employed in the highest skill group,
- around 44 per cent of workers with education to around the A Level or equivalent qualification were employed in the two lowest skill groups.

Increase in percentage of population with degrees

UK population, age 22-64, by highest qualification



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(15 Kb)

The percentage of people in the UK aged 22-64 educated to around the GCSE or equivalent level increased from 17 per cent in 1993 to 20 per cent in 2010. Over the same period the percentage of people with a minimum of a degree more than doubled from 12 per cent to stand at 25 per cent in 2010.

There has been a fall in the percentage of people with no formal educational qualification, from 25 per cent in 1993 to 11 per cent in 2010. This was mainly driven by people aged 50-64 in 1993 who, because of the education system at the time, were less likely to have stayed on in school to obtain a formal qualification. By 2010 these people were over the age of 64 and therefore likely to have retired from work. In 1993, around 39 per cent of people aged 50-64 had no formal educational qualification, falling to 18 per cent in 2010. So this fall in the percentage of people with no formal educational qualification can be explained by a demographic shift due to the retirement of older cohorts.

Those with degrees now more likely to work in lower-skilled jobs

The increase in the number of people obtaining a degree has had an impact on the types of jobs performed by this group because the percentage of people with a degree has increased at a faster rate than the increase in the percentage of high skill jobs in the UK (from 22 per cent in 1993 to 28 per cent in 2010).

In 1993, with far fewer people having a degree, 68 per cent of workers with a degree were employed in a job in the highest skill group. In 2010 this fell to 57 per cent and there were a higher percentage of workers with a minimum of a degree in the lower-skill groups. In 1993, 31 per cent of workers

with a degree were employed in the two middle skill groups, increasing to 41 per cent in 2010. Note that comparisons between the two periods are based on different occupational classifications and the best fit possible has been used, although some occupations between the two periods may have been classified in different skill groups. Also, the types of people going on to study for a degree in 1993 may have differed to those in 2010.

Background notes

1. Occupations can be grouped by the skill level required according to the following guidelines:
 - Low – This skill level equates to the competence acquired through compulsory education. Job-related competence involves knowledge of relevant health and safety regulations and may be acquired through a short period of training. Examples of occupations at this level include postal workers, hotel porters, cleaners and catering assistants.
 - Lower-middle – This skill level covers occupations that require the same competence acquired through compulsory education, but involve a longer period of work-related training and experience. Occupations at this level include machine operation, driving, caring occupations, retailing, and clerical and secretarial occupations.
 - Upper-middle – This skill level equates to competence acquired through post-compulsory education but not to degree level. Occupations found at this level include a variety of technical and trades occupations, and proprietors of small business. For the latter, significant work experience may be typical. Examples of occupations at this level include catering managers, building inspectors, nurses, police officers (sergeant and below), electricians and plumbers.
 - High – This skill level is normally acquired through a degree or an equivalent period of work experience. Occupations at this level are generally termed ‘professional’ or managerial positions, and are found in corporate enterprises or governments. Examples include senior government officials, financial managers, scientists, engineers, medical doctors, teachers and accountants.
2. The earnings analysis in this article compares two estimates at different points in time and is not aimed at showing the total return an individual may gain over their lifetime for a particular qualification. There are a number of factors to consider when evaluating this, and more information can be found in a document [The returns to higher education qualifications](#) available on the BIS website.
3. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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