

These data are for indicative purposes only.

Summary

The data used here is from the Annual Population Survey and the Annual Population Survey three year pooled data set . This is a survey of households across the UK.

The Annual Survey of Hours and Earnings (ASHE) is the official source of estimates on pay gaps and information on earnings is collected from employers **however ASHE does not include information on ethnicity.**

The Labour Force Survey was considered for this analysis. However as the earnings information is only asked on waves 1 and 5 the sample of the ethnic minority population is not sufficiently large to produce results with a sufficient degree of reliability for Scotland, although would be sufficient for UK as a whole. The Annual Population Survey which has a boosted sample for Scotland has therefore been used for this analysis. The median rather than the mean figure is used due to the distributions of earning. Data on pay from this source are generally of lower quality compared to ASHE due to the self-reported nature of earning information which is also sometimes given by proxy. Further details on the Annual Population Survey for Scotland can be found at <http://www.gov.scot/Publications/2017/05/8508/5>

The data produced here are therefore best thought of as 'illustrative pay gap'.

Noting the limitations the data shows that:

- There is little consistent evidence of a large ethnicity pay gap (between white and minority ethnic), with a relatively modest pay gap in favour of white people in 2014 of 1.6 per cent and the largest gap in the series shown in 2015 of 10.6 per cent. The latest pay gap in 2017 is 2.7 per cent.
- This estimate brings together all ethnic minority groups other than white in one group, so might mask differences between minority ethnic groups.
- These estimates do not control for age. The minority ethnic population has a younger age profile than does the white population in 2017 with 21% of minority ethnic population in the 16-24 years age band compared with 12% of the white population.
- Again the small sample size of the ethnic minority group means we should treat these results with caution.

For this reason also included is an analysis of the ethnicity pay gap using a three year combined Annual Population Survey (Table 2) which will be more robust than the yearly APS but is still only given as an "illustrative pay gap".

Definitions:

Ethnic group: We use the 2011 Census ethnic group categories, asked in the LFS since 2013. We present results for 'White' (measuring White-British) and 'Minority ethnic', where the latter category covers, Indian, Pakistani, Bangladeshi, Black Caribbean, Black African, Chinese and Other.

Analysis:

Table 1 present analyses from the Annual Population Survey (APS) for hourly earnings by ethnicity.

Table 2 present analyses from the Pooled Annual Population Survey (APS) for hourly earnings by ethnicity.

The APS is the only source for pay gap analyses by ethnicity since it contains sufficient information to enable examination of pay gaps by ethnicity. However, it is not the source that is typically used to calculate the gender pay gap, for which the Annual Survey of Hours and Earnings (ASHE) is used. ASHE is considered the official source of the gender pay gap due to its large sample size and more accurate earnings information, which is collected directly from the employer. There tends to be slight differentials in the pay estimates calculated in the APS and LFS compared with that provided by ASHE. Therefore the pay gaps calculated here are marked as indicative and do not reflect official estimates. It was not possible to use ASHE in this analysis as the survey does not collect the necessary information on ethnicity. More information on ASHE and the official gender pay gap can be found here:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults>

Indicative pay gap calculation:

The indicative gender pay gap is calculated as: $(\text{White average hourly pay} - \text{Ethnic Minority average hourly pay}) / \text{White average hourly pay} * 100$. In gender pay gap estimation 'White' is used as the reference.

Estimates show an inconsistent pay gap in favour of white

Tables:

Table 1: Average full-time hourly pay by ethnicity, including overtime, Scotland non-seasonally adjusted January to December in each year

Table 2: Average full-time hourly pay by ethnicity, including overtime, Scotland non-seasonally adjusted, January 2014 to December 2016

A further description of the estimates provided in the tables can be found in the respective footnotes to each table.

For further information, please contact Labour Market Statistics at the Scottish Government:

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**Table 1 Average full-time hourly pay by ethnicity, including overtime, Scotland
January to December , each year**

	Median, £ per hour		Indicative APS pay gap (%) ¹
	White	Minority ethnic	Pay gap ²
January 2011 to December 2011	11.3	11.0	2.5
January 2012 to December 2012	11.6	10.6	8.4
January 2013 to December 2013	11.8	11.5	2.2
January 2014 to December 2014	12.0	11.8	1.6
January 2015 to December 2015	12.2	10.9	10.6
January 2016 to December 2016	12.5	11.8	6.0
January 2017 to December 2017	12.5	12.2	2.7

Source: Annual Population Survey (APS)

**Table 2: Average full-time hourly pay by ethnicity, including overtime, Scotland
January 2014 to December 2016**

	Median, £ per hour		Indicative APS pay gap (%) ¹
	White	Minority ethnic	Pay gap ²
January 2014 to December 2016	12.2	11.4	6.3

Source: Pooled sample Annual Population Survey (APS)

IMPORTANT NOTE REGARDING LFS EARNINGS ESTIMATES

Gross hourly earnings data are known to be underestimated in the LFS. This is principally because of proxy responses, see 'note about sources of earning estimates used by ONS' at the bottom of this page.

Estimates includes full- time employees only

Estimates are where total usual hours are greater than '0' and hourly pay is greater than '0' or less than '99'

Pay gap calculation are based on unrounded estimates of median full-time hourly pay, including overtime

¹ Pay gap is calculated as (White hourly pay - Minority ethnic hourly pay) / White hourly pay *100

² The estimates presented above are an indicative measure of an ethnicity pay gap. Official estimates of pay gaps are based upon median hourly earnings excluding overtime and are sourced from the Annual Survey of Hours and Earnings (ASHE), however there is no official measure of an ethnicity pay gap from this source

Note about sources of earnings estimates used by ONS

The Annual Survey of Hours and Earnings (ASHE) is a one per cent sample of employees using information provided by employers. It has been the main source of information on earnings in the UK since 1997 and is the most detailed and comprehensive source of earnings information.

However, ASHE is not the only source for earnings information. The household-based Annual Population Survey (APS) also includes information on hours and earnings, as well as much more personal data. As ASHE has very limited information on the individual, APS estimates are required to support the ASHE estimates where breakdowns by personal characteristics are required (for example, ethnicity and disability). APS surveys around 17,000 households each year in Scotland.

The main difference between the two estimates has always been attributed to the different sources of the information. The ASHE is collected from the employer and as such the earnings information is thought to be more reliable as it is mainly provided with reference to company records. The APS is provided by the individual and it is subject to recall error, which is compounded when the information is provided by proxy response. Both sources provide earnings information for employees only.