

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Indicator 8.5.1: Average hourly earnings of employees, by sex, age, occupation and persons with disabilities

Institutional information

Organization(s):

ILO

Concepts and definitions

Definition:

This indicator provides information on the mean hourly earnings from paid employment of employees by sex, occupation, age and disability status.

Rationale:

Earnings are a key aspect of quality of employment and living conditions. Information on hourly earnings disaggregated by various classifications (sex, age, occupation, disability status) provides some indication of the extent to which pay equality is respected or achieved.

Concepts:

Earnings refer to the gross remuneration in cash or in kind paid to employees, as a rule at regular intervals, for time worked or work done together with remuneration for time not worked, such as annual vacation, other type of paid leave or holidays. Earnings exclude employers' contributions in respect of their employees paid to social security and pension schemes and also the benefits received by employees under these schemes. Earnings also exclude severance and termination pay.

For international comparability purposes, statistics of earnings used relate to employees' gross remuneration, i.e. the total before any deductions are made by the employer in respect of taxes, contributions of employees to social security and pension schemes, life insurance premiums, union dues and other obligations of employees. As stated in the indicator title, data on earnings should be presented on the basis of the arithmetic average of the hourly earnings of all employees.

Comments and limitations:

The variety of possible sources for statistics on earnings greatly hinders international comparability, as each type of source has its own coverage, scope and characteristics. It would not be fully accurate to compare, for example, hourly earnings from a labour force survey for one country with hourly earnings from an establishment survey for another. The use of non-standard definitions and the heterogeneity of operational criteria applied further hamper cross-country comparisons.

Methodology

Computation Method:

Statistics on average hourly earnings by sex can be used to calculate the gender pay gap, as follows:

Gender pay gap = $\frac{[(\text{Average hourly earnings})_{\text{Men}} - (\text{Average hourly earnings})_{\text{Women}}]}{[(\text{Average hourly earnings})_{\text{Men}}]} \times 100$

Disaggregation:

This indicator should be disaggregated by sex, occupation, age and disability status.

Treatment of missing values:

NA

Regional aggregates:

NA

Sources of discrepancies:

NA

Methods and guidance available to countries for the compilation of the data at the national level:

- Resolution concerning the measurement of employment-related income, adopted by the Sixteenth International Conference of Labour Statisticians (January 1998), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087490/lang--en/index.htm
- Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians (January 1993), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087562/lang--en/index.htm
- Resolution concerning an integrated system of wages statistics, adopted by the Twelfth International Conference of Labour Statisticians (January 1973), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087496/lang--en/index.htm
- ILO manual: An integrated system of wages statistics, available at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/presentation/wcms_315657.pdf

Quality assurance

NA

Data Sources

Description:

There are a variety of possible sources of data on employees' earnings.

Establishment surveys are usually the most reliable source, given the high accuracy of earnings figures derived from them (the information typically comes from the payroll, so is precise). However, the scope

of these statistics is limited to the coverage of the establishment survey in question (usually excluding small establishments, agricultural establishments and/or informal sector establishments). Household surveys (and especially labour force surveys) can provide earnings statistics covering all economic activities, and all establishment types and sizes, but the quality of the data is highly dependent on the accuracy of respondents' answers. Data on earnings could also be derived from a variety of administrative records.

Data Availability

NA

Calendar

NA

Data providers

At the national level, the agency responsible for producing data on earnings is usually the national statistical office.

Data compilers

ILO

References

Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labour Market Indicators, available at https://www.ilo.org/stat/Publications/WCMS_647109/lang--en/index.htm

Resolution concerning the measurement of employment-related income, adopted by the Sixteenth International Conference of Labour Statisticians (January 1998), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087490/lang--en/index.htm

Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians (January 1993), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087562/lang--en/index.htm

Resolution concerning an integrated system of wages statistics, adopted by the Twelfth International Conference of Labour Statisticians (January 1973), available at http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_087496/lang--en/index.htm

ILO manual: An integrated system of wages statistics, available at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/presentation/wcms_315657.pdf

ILOSTAT database, available at <https://ilostat.ilo.org>

ILOSTAT's indicator description on earnings and labour cost, at
<https://ilostat ilo.org/resources/methods/description-earnings-and-labour-cost/>
International Standard Classification of Occupations (ISCO-08)
<http://www ilo.org/public/english/bureau/stat/isco/isco08/>

Related indicators as of February 2020

1.1.1, 5.5.2, 8.2.1, 10.4.1