# Wage & Employment Dynamics

THE WEDPROJECT

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Lucy Stokes, NIESR

Carl Singleton, Reading















#### Wage & Employment Dynamics

Time	Agenda	Lead
9.00-9.30	Registration and introductions over refreshments	
9.30-9.35	Welcome	WED - Damian Whittard
9.35-9-45	Academic perspective	UCL - Alex Bryson (video)
9.45-10.00	Policy Perspective	DWP – Mike Daly
		LPC- Ronia Salman
		BoE - Thomas Key (video)
10.00-10.15	Potential funding routes	ADR UK – Gregory Meredith
		JRF – Peter <u>Matejic</u>
10.15-10.25	Introduction to exercises	WED - Felix Ritchie
10.25-11.05	Exercise 1 – Identifying the Policy Problem	All participants
11.05-11.15	Feedback from Exercise 1	
11.15-11.25	Break	
11.25-12.05	Exercise 2 – How to address the Policy Problem	All participants
12.05-12.15	Feedback from Exercise 2	
12.15-12.30	Exercise 3 – Making it happen	All participants
12.30-12.45	Roundup and next steps	WED - Felix Ritchie
12.45-13.30	Lunch	















# Wage & Employment Dynamics

THE WED PROJECT

A wage spine for Britain What is it, and what can I do with it?















#### **Aims**

- Construct a wage spine for the UK
- Begins with ASHE: turn it into longitudinal linked employer-employee data suitable for research
- Links to other data to enrich it (next slide)

- Definitive, clean, fully described data
- Fully documented construction
- Sustainable life beyond the project as core dataset(s)
- Supported via training, information events















#### **How it works**

#### Research-ready data

Strategic research

ONS business

(Enhanced) ASHE

2011 Census

Review QA Link **Document** 

Add common personal IDs



Wage and **Employment** Spine



wage progression low-wage labour markets intersectionality

**HMRC** data















#### Why Bother?

- Exceptional wage data from employers
- Large Ns
- Links worker to the employer
- Panel analysis (worker, firm and job fixed effects)
  - Follow worker across time, through employers and jobs
- New weights to tackle (a) cross-sectional non-response (b) longitudinal attrition
- Spatial dimension: cleaning up postcodes
- Richer than before
  - Example: new link to Census contains education, ethnicity, disability, household















#### **Obvious Uses of Existing Data**

- Wage determination with better human capital metrics
- Wage gaps across different types of worker
  - Intersectionality
- Labour market transitions
  - In and out of low pay; across jobs/employers
- Spatial economics
  - Construction of occupational labour markets with distance travelled
  - Labour market outside options
  - Compensating wage differentials















#### **Uses of Data in Near Future**

ASHE/HMRC: Job holding and wage progression throughout the year

 ASHE/Self-assessment data: earnings from employment and selfemployment over the year

Migrant worker scan: labour market experiences of migrant workers















#### How can I access the data?

- Data and code accompanied by supporting resources available via the SRS and/or on the WED website:
  - including quick start guide, word document explaining do files, quality assurance notes
- ASHE-2011 Census Data (Drop 1) available via ONS Secure Research Service catalogue
  - Drop 2 coming by the end of the year
- Code to create enriched ASHE and enriched ASHE-Census available by application
  - Shortly to be made freely available in ONS new code repository
- If you are on the project mailing list, we will update you once data/code are available















# Some existing resources...

- ASHE-Census user guide (drop 1)
- Paper on Cross-Sectional Non-Response and Weighting
- Paper on Longitudinal Attrition and Weighting















#### Further information

WED project website: <a href="http://www.wagedynamics.com/">http://www.wagedynamics.com/</a>

Sign up to the mailing list here:

http://www.wagedynamics.com/wed-project-home/subscribe-to-newsletter/

Follow @Wage\_Dynamics













# ASHE Synthetic data pilot

The Office for National statistics (ONS) are inviting prospective ASHE users to participate in a synthetic data pilot study aiming to assess the usefulness of synthetic data.

User feedback received through this pilot will help the ONS to maximise benefits of data access and further explore the feasibility of synthesising more data in future.

#### **Key questions**

- What Data will be used? <u>Annual Survey of Hours and Earnings</u> 2020 data
- How will you access the data? Through the UK Data Service
- What can you contribute to the pilot study? Testing of format, content, variables, benefits (e.g. code writing, time), governance, utility etc.
- When will the pilot start? Mid February 2023 lasting for a period of 4 weeks
- What will you need to take part? You will need to be an accredited researcher. To do this please submit an online application via the Research Accreditation Service (RAS)

If you are interested in taking part in the ASHE synthetic data pilot or have any queries please email adrcuration@ons.gov.uk

## Thank you for listening

Questions?

More info, including research agenda, at

http://www.wagedynamics.com/

















# Low Pay Commission: Background and Research Interests

21 November 2022 Ronia Salman

## **Low Pay Commission**

- Established in 1997
- Independent from Government
- Social partnership
  - 3 independent Commissioners (chair and 2 academics)
  - 3 Commissioners with an employer background
  - 3 Commissioners with a worker representative background
- Small Secretariat (8 staff)
- Evidence-based negotiation
- Makes recommendations to the Government on the rates and workings of the UK minimum wage
- Recommendations set out in annual report
- The LPC recommends but the Government decides





# The LPC: a social partnership

Independents



Bryan Sanderson CBE, Chair



Professor Patricia Rice, University of Oxford



Professor Jonathan Wadsworth, Royal Holloway, London

Unions/Workers

Employers/Business



Kate Bell TUC



Kay Carberry Ex-TUC



Simon Sapper Ex-CWU



Matthew Fell CBI



Louise Fisher Ex-CIPD



Martin McTague FSB



## Commissioned research for 2023 Report

- Identification of minimum wage groups using machine-learning classification (London Economics)
- Labour market concentration and the minimum wage (Frontier Economics)
- Exploration of Pay-Setting among Employers in Low-Paying Sectors in the Context of the Pandemic, Brexit and the Rise in the Cost of Living (National Institute of Economic and Social Research (NIESR))



#### Research Interests I

- Impacts of changes to the minimum wage:
  - employment
  - wage distribution
  - prices
  - productivity and investment
  - worker retention, turnover and progression
  - **–** ...?
- Low paid workers in the labour market:
  - trends in low-paid sectors and future outlook (e.g. decline in retail)
  - impact of events/policies on low-paid workers and sectors (e.g. migration policy)
  - wage setting in low-paid sectors
  - minimum wages and the gig economy



#### Research Interests II

#### Young people and minimum wages:

- how the minimum wage affects choices and opportunities for young people entering and progressing in the labour market
- how/whether minimum wages influence firms' decisions about hiring and training young people
- impacts of changing entitlement to the minimum wage

#### Apprenticeships and minimum wages:

- understanding pay trajectories for apprentices during and after their apprenticeship
- what is displacing apprenticeships for young people and how do labour market outcomes compare?



## **Next steps for LPC**

- Recommended rates accepted by the Government with short report published on 17 November
- 2022 Report to be published in w/c 12 December along with three commissioned research projects
  - London Economics (Impact of the reduction in age of entitlement to 23 for the NLW)
  - Incomes Data Research (Influence of the NLW on pay setting, differentials and progression)
  - Leeds University (Accommodation Offset in the agricultural sector)
- Forthcoming launch of next commissioning round of research
  - Likely in new year
- Likely consultation on the future of the NLW beyond 2024





# Administrative Data Research Funding Opportunities

Greg Meredith
ADR UK Strategic Hub



#### **UKRI Research Funding Opportunities**

Follow us on Twitter <u>@ADR UK</u> and <u>Sign up to the</u> ADR UK newsletter to be the first to hear

#### **ADR UK**

#### ADR UK Research Fellowships

**Scope:** Individual researcher (with support/mentoring) to conduct research and analysis to demonstrate the potential policy impact of linked administrative data including data discovery and cleaning; policy and public engagement; policy relevant outputs

Scale: maximum award £175k

Duration: up to 18 months (15 +3)

Deadlines: 24 January 2023. (July 2023 & Feb 2024 call

launch TBC)



- Individual awards
- Partnerships & secondments
- ECR & Mentor
- UKRI eligible institutions
- Free research design



- Co-Is
- Funded collaborators
- New linkage or primary collection
- Operationalisation of data

#### **ESRC**

#### **ESRC Policy fellowships**

**Scope:** Individual researchers spend up to 18 months collaborating with a UK or devolved government host organisation. Opportunities are presented in partnership with range of Government hosts and their priority areas.

Scale: £135k,

**Duration:** 18 months (3+12+3) **Deadline:** Approx. May 2023



- Individual awards
- Secondment
- ECR & Mentor
- High policy engagement and working



- Free research design
- New linkage or primary collection
- Co-Is





#### **UKRI Research Funding Opportunities**

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**ESRC** 

#### **ESRC Secondary Data Analysis**

**Scope:** research that exploits existing data resources for social and economic research for comparative analysis. Also to develop research capacity and skills. Not prioritised for additional linkages or primary data collection.

Scale: Maximum award £300k

**Duration:** up to 24 months

Potential evaluation steer

Deadline: Open - no closing date



- Team or Individual awards
- Some partnership
- International
- Interdisciplinary



- Primary data collection
- New linkages (not confirmed)

**ESRC** 

#### **ESRC** Responsive mode Grants

**Scope:** Research on economic and social issues & the national data infrastructure that underpins this research. Your proposal can cover anything from a standard research project through to a large-scale survey

Scale: £300k-£1M

**Duration:** up to 60 months

Deadline: Open - no closing date



- team awards: Co-Is etc.
- Partnerships
- International
- Interdisciplinary
- Primary data collection
- New linkages



Large infrastructure projects





#### **ADR UK Fellowships 2022**

£175k (100% FEC)

18 Months (15 +3)

JeS form application



- Research phase(15 months) & Impact phase (3 Months)
- Objectives
  - 1. Pathfinding policy relevant research demonstrating the value of administrative data
  - 2. Activities which enhance the dataset and resources as an asset for future researchers
  - 3. Policy and public engagement
  - 4. Develop the community of researchers using and interested in administrative data
- Ideally aligned to the priority questions identified although these aren't exhaustive
- Open to all ADR England Flagship data. Priority datasets for this round are:
  - Annual Survey of Hours and Earnings (ASHE) Census 2011
  - Longitudinal Educational Outcomes (LEO)
  - Growing Up In England (GUIE)







#### **GET IN TOUCH**

Gregory.Meredith@esrc.ukri.org

#### Sign up for the latest news and updates

https://www.adruk.org/contact-us/mailing-listsign-up/

Find us at <a href="mailto:adruk.org">adruk.org</a> or on Twitter <a href="mailto:adruk.org">adruk.org</a> or on Twitter <a href="mailto:adruk.org">adruk.org</a> or

