

Earnings Statistics: Explainer

On 22 August, Statistics Jersey will publish two reports: our long-standing annual Average Earnings Index (AEI) report and a new, more detailed earnings report based on administrative data. This document explains why the new report was developed, how it differs from the existing report, and what it means for the future of earnings statistics in Jersey.

Where are we now?

Jersey's current lead measure of earnings is based on the Average Earnings Survey, which relies on data collected from around 500 businesses. Over time, declining response rates have made the survey mandatory, increasing the burden on businesses.

The survey uses a matched pair methodology, meaning it is specifically designed to measure change in earnings over time rather than to produce accurate levels of earnings. While it can estimate levels, this is not its primary purpose.

Moreover, the survey collects data only at the company level, which limits the breakdowns that can be produced. Users are increasingly asking for more granular data — such as earnings by gender, sector, age, nationality and other characteristics — which the current approach cannot support.

Where do we want to be?

We want a lead earnings measure that:

- provides robust estimates of both changes and levels of earnings
- enables more detailed breakdowns by demographics and subsectors
- better aligns with modern statistical standards and practices used in the UK and elsewhere
- minimises the burden on businesses by using existing data sources

How do we get there?

To meet these needs, a new earnings report has been developed using administrative data. This broadly follows the approach adopted by the UK Office for National Statistics with their Average Weekly Earnings (AWE) measure, although with additional adjustments for part time workers. This new method:

- uses existing administrative data (from the combined employer return), which is in line with our legal requirement to avoid collecting data where data collected for administrative purposes is readily accessible, of suitable quality and sufficiently up to date
- supports richer analysis of earnings across different groups and sectors
- provides a modern, more flexible foundation for earnings statistics going forward

By moving to this administrative data-based method, Statistics Jersey can:

- better meet user needs
- reduce the burden on businesses
- ensure our statistics remain relevant and comparable to international standards

What are the differences between the two methods?

The new administrative data-based method and the existing survey-based Average Earnings Index (AEI) differ in several important ways, across data collection, analysis, and the types of insights they can produce.

Category	Survey-based AEI	Administrative data-based method
Data collection		
Source	Sample of ≈ 500 businesses	Entire employee population in Jersey
Timeliness	≈ 2 -month lag	≈ 7 -month lag
Frequency of data	Annually in June	Monthly
Level of detail	Company-level; broad sectors only	Individual-level; detailed demographic and sectoral breakdowns
Pay components	Excludes bonuses; separates arrears	Includes all gross earnings
Data analysis		
Adjustment for hours worked	Only part-time employees	All employees within sectors; standardised based on hours worked
Company matching	Only includes companies responding in consecutive years	Includes all employees each month, regardless of employer change
Calculation method	Weighted average across companies and sectors	Median of all employees, adjusted for hours and frequency of pay
Outputs and insights		
Measures available	Annual change in mean average weekly earnings	Means, medians, and hourly rates directly available, both for change and actual level
Demographic breakdowns	None	Detailed demographic and sectoral analysis possible
Inequality metrics	Not available	Gini coefficient and other inequality measures possible
Time period	One month of the year (June)	Monthly data available
Seasonal adjustment	Not relevant for annual data	Monthly data enables seasonal adjustment
Comparability over time	Annual level comparisons will differ between years	Long-term trends align with AEI; reliable alternative

What are our plans for the future?

The introduction of this new earnings report is part of a broader initiative by Statistics Jersey to enhance the production of official statistics using administrative data. Our goal is to deliver more frequent, detailed, and reliable insights while reducing the burden on data providers.

Under the [Statistics and Census \(Jersey\) Law 2018](#), we are required to minimise direct data collection where suitable administrative sources exist. This new methodology aligns with that principle and represents a significant step forward in modernising our statistical outputs.

Our long-term aim is to replace the current annual Average Earnings Index report with a new series of quarterly earnings reports based on administrative data. While this initial release is an annual publication, it lays the groundwork for more regular reporting in the future.

Before making this transition, we will undertake a period of evaluation and engagement with users. This will ensure that all stakeholders — particularly those who rely on the Average Earnings Index for policy and financial decisions, such as the uprating of Social Security pensions and benefits — are fully informed and aligned with the direction and rationale for the change.

This document and the accompanying publication mark the beginning of that process. We are committed to transparency and collaboration as we move toward a more modern, efficient, and insightful approach to earnings statistics in Jersey.