



An Phríomh-Oifig Staidrimh Central Statistics Office

Preasráiteas Press Statement

Trend shows decline in public/private sector pay differential for the period 2011 to 2014

The Central Statistics Office (CSO) has today (15th March, 2017) issued a research paper which presents an econometric analysis of the public/private sector pay differential for the period 2011 to 2014. It has been prepared in response to user needs to inform discussions relating to the composition of earnings*.

Commenting on the release of the research paper, Ken Moore, Senior Statistician, said: “Comparing pay in the public and private sectors is not a straightforward task. Complexity arises as the two sectors comprise a variety of different industries, occupations and workers with differing education, experience and skill sets

However, the table below shows a trend whereby the pay differential between workers in the public and private sector has steadily declined in the period 2011 to 2014.

Estimate of Pay Differential# between the Public and Private Sector for period 2011-2014 for Permanent, Full-time employees, aged 25-59

		2011	2012	2013	2014
		%			
Gross weekly earnings, including size of organisation	Males & Females	9.21	8.32	6.34	5.05
	Males	3.01	3.91	0.24	-0.71
	Females	15.35	13.72	13.31	12.18
Gross weekly earnings, excluding size of organisation	Males & Females	9.52	8.41	6.32	5.35
	Males	3.25	3.75	-0.40	-0.96
	Females	16.24	14.30	14.05	13.53
Pension levy deducted from Gross weekly earnings, including size of organisation	Males & Females	2.92	2.06	0.19	-0.65
	Males	-3.36	-2.54	-6.01	-6.42
	Females	9.17	7.60	7.23	6.46
Pension levy deducted from Gross weekly earnings, excluding size of organisation	Males & Females	3.21	2.14	0.17	-0.36
	Males	-3.14	-2.70	-6.60	-6.65
	Females	10.02	8.15	7.94	7.75

#Results from Ordinary Least Squares Regression



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In addition, other key trends to note include:

- * When compared to the private sector, the pay differential for male employees in the public sector ranged from a premium of 3.91% to a discount of -6.65% in the period 2011 to 2014. See *Table 1 of the research paper for further details*. <http://www.cso.ie/en/media/csoie/newsevents/researchpaper/econa20112014.pdf>
- * The corresponding differential for females showed that female workers in the public sector had a differential ranging from 6.46% to 16.24% depending on the model applied when compared to their counterparts in the private sector. See *Table 1 of the research paper for further details*.
- * When earnings distributions are analysed and the public sector pension levy was deducted from gross weekly earnings, the public sector differential was highest for those at the lower end of the earnings distribution with those at the 10th percentile earning a premium of 11.19% in 2014. The pay differential for public sector workers at the 90th percentile of the earnings distribution was -12.48% when compared to those in the private sector in 2014” he added. See *Figure 2.1 and Table D8 of research paper for further details*.

Note to Editors:

- * This analysis takes into account the differences in characteristics of both employees (e.g. length of service, occupation, education, etc.) and their employers (e.g. organisation size etc.) to explore the wage differential between the public and private sector. As no one agreed method exists to measure the public private sector pay differential, the research paper details a comprehensive range of results where several estimates of the wage differential are presented depending on the specification of methods used.
- * The methods used in these analyses are: Ordinary Least Squares Regression (OLS); and Quantile/Percentile Regression. For each of these methods, results based on a range of specifications are presented.

A selection of the results from the regression models are presented in the research paper to demonstrate the range of results obtained from the different model specifications. Further analyses are available for various specifications of the models, on request.

Additional information on the methodology and definitions used are detailed in the research paper. <http://www.cso.ie/en/media/csoie/newsevents/researchpaper/econa20112014.pdf>

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