

# Gender pay gap reporting

## Investment Management

The 5th of April 2018 marks the end of the first year of disclosures under the new UK gender pay gap reporting requirements. Just over 10,000 companies employing more than 250 people in England, Scotland and Wales have disclosed their figures, although reportedly more than 500 are yet to publish and may face possible fines and reputational damage.

This factsheet sets out an analysis of the gender pay disclosures for companies in the investment management sector, including how the disclosures in the investment management sector compare to the wider UK disclosures.

### Commentary

Both the pay and bonus gaps in investment management are, in general, considerably higher than the pay gap across industries. The median mean pay gap for all UK companies is around 14% compared to around 30% in investment management (figure 1) and a similar level across Financial Services. The median mean bonus gap for all UK companies is around 36% compared to around 67% in investment management (figure 2) and 59% across Financial Services.

This is consistent with what we would expect, based on the latest Office of National Statistics data.

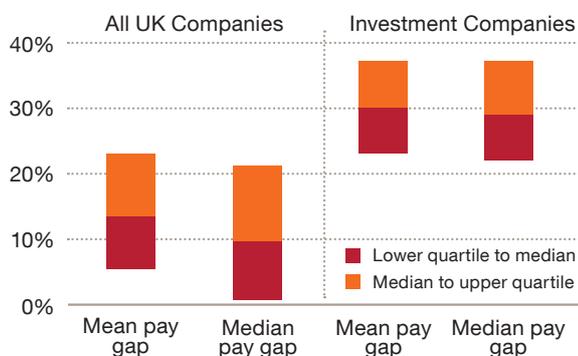
This large pay gap is primarily driven by the relatively low number of women in senior leadership and front office/ portfolio management roles. The majority of investment management organisations have a quartile index above zero, showing that there is a higher proportion of men paid above the median than in the overall workforce (figure 5).

This is a challenge recognised by a number of firms in their gender pay reporting disclosures. It is an issue for the wider financial services sector and is being sought to be addressed through industry initiatives such as the Diversity Project. The UK government also recognises this challenge (leading to the establishment of the voluntary Women in Finance Charter).

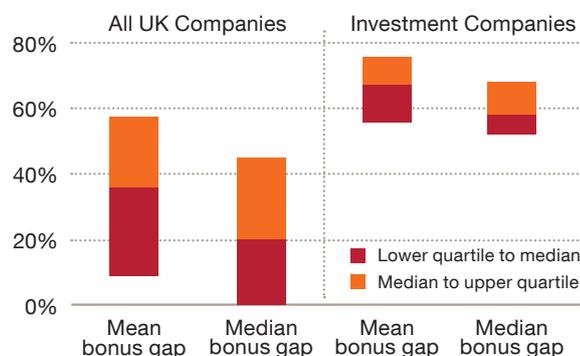
Pay and bonus gaps are also driven by the significant differences in pay and bonus opportunities between the most senior employees and the wider workforce.

The proportion of men and size of company (in terms of number of employees) does not have a significant impact on the size of the gap (figures 3 & 4).

**Fig 1: Pay gap analysis** – This chart shows the median and quartile range of mean and median pay gaps in investment management compared to all UK companies.



**Figure 2: Bonus gap analysis** – This chart shows the median and quartile range of mean and median bonus gaps in investment management compared to all UK companies.



### Contacts

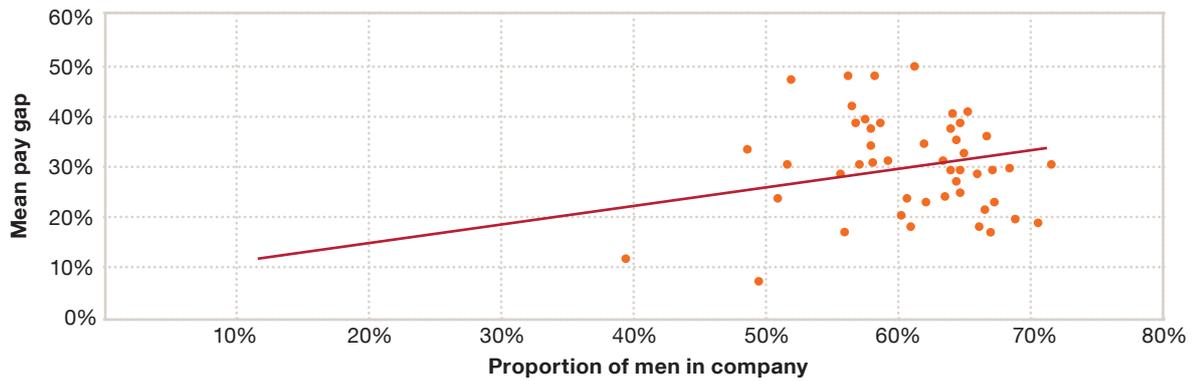
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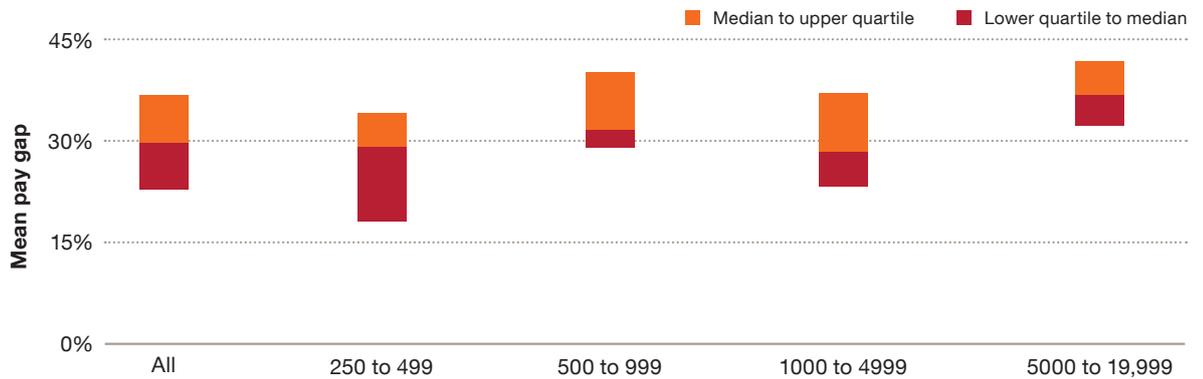
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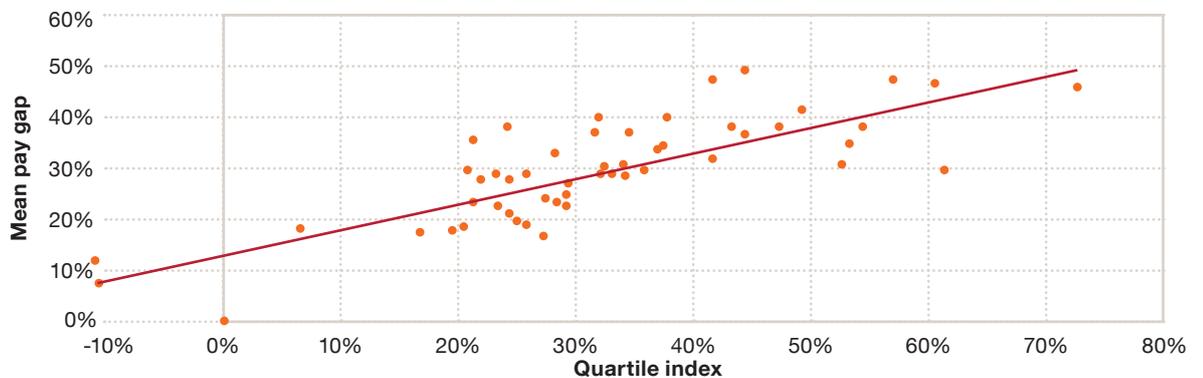
**Fig 3: Proportion of men** – This chart shows how the mean pay gap links to the proportion of men in each investment management company.



**Fig 4: Number of employees** – This chart shows how mean pay gaps in investment management compare in different size organisations, based on the number of employees.



**Fig 5: Seniority of men** – This chart shows how the mean pay gap links to the relative seniority of men implied by the quartile disclosures (quartile index).



## Methodology

Comparator group based on a bespoke group of asset management and investment management companies.

This analysis excludes any company with a pay gap above 100%. Bonus gap analysis excludes companies with either no men or no women receiving a bonus, as a gap is not possible to calculate.

The quartile index shows the relative distribution of men and women in the quartile ranges. A positive value indicates that there is a higher proportion of men in the upper and upper middle quartiles compared to the overall workforce.