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## **Average pay for female FTSE-350 financial services directors just £247k vs £722k for men**

- **Pay gap between male and female directors now 66%**
- **Firms must ensure they are signed up to the Women in Finance Charter**

The average pay for female directors at FTSE-350 financial services firms stands at £247,100 compared to £722,300 for their male counterparts\*, suggesting slow progress has been made in promoting women to senior, higher-paid executive positions, shows new research by Fox and Partners, the employment and partnership law specialists.

The pay gap between male and female directors at FTSE-350 financial services firms currently stands at 66%. These figures suggest that while there is a broad consensus about the importance of increasing gender diversity in the financial services industry, this is yet to be reflected at the most senior level.

Fox & Partners' research shows 86% of these female directors are in non-executive roles which tend to be lower paid compared to executive roles, and have less day-to-day responsibility. Only 15% of female directors are in executive roles.

It appears from the research that in order to improve board diversity, companies are more willing to give women non-executive roles but are not appointing women to the higher paid executive roles which would give them greater influence within the company.

Firms need to be aware that while appointing women to NED roles is a step in the right direction, it only addresses part of the problem. Ensuring that women are appointed to permanent senior executive positions will result in their having more influence at a senior, strategic level and will create a greater long-term change.

Economic, social and governance (ESG) issues are increasingly high on the agenda for investors and gender diversity forms a significant part of that assessment - companies that fall short will start to feel the impact. There is also the risk of sex discrimination and equal pay claims that attaches to significant pay disparity and lack of diversity in senior positions, as well as the potential reputational risk of an apparent systemic issue with gender diversity at the top.

An option for firms as a first step is to sign up to the Treasury's Women in Finance charter. By signing the charter, an organisation pledges to promote gender diversity by:

- Having one member of the senior executive team who is responsible and accountable for gender diversity and inclusion
- Setting internal targets for gender diversity in our senior management

- Publishing progress annually against these targets in reports on their website, and
- Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity\*\*

Catriona Watt, Partner at Fox & Partners, says: “Despite having greater levels of diversity at more junior levels, financial services firms are still struggling to reflect that shift at the senior executive level.”

“In order to see long term change, firms must be committed to taking steps that will lead to more women progressing through the ranks, getting into senior executive positions and closing the pay gap.”

“Boards need to be open to challenging themselves by asking honest questions about the barriers in their organisation that might prevent women reaching the very top.”

\*Analysis of board members pay FTSE350 listed financial services companies, excluding equity investment trusts

\*\* Treasury’s Women in Finance Charter

**ENDS**

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