

February 28 2022

Female FTSE 350 financial services directors get paid 66% less than male counterparts

- **Average pay for female directors stands at £235,000 compared to £689,000 for men**
- **No improvement in boardroom gender pay gap highlights need to take issue seriously**

Female board directors at FTSE 350 financial services firms are still paid 66% less than men, unchanged on the previous year shows research by Fox & Partners, the employment law specialists.

The average annual pay for female directors stands at £235,000 compared to £689,000 for their male counterparts.

The overall gender pay gap across the UK economy is just 7.9%, according to the Office for National Statistics.

Catriona Watt, Partner at Fox & Partners, explains that this is partly due to the slow progress in promoting women to the higher paid "executive director" positions on boards of financial services companies. Just 9% of women on the board of directors of FTSE 350 financial services companies hold executive roles, **down** from 14% last year.

Progress has been made in relation to women in non-executive director roles, up 91% from 86% the previous year and whilst this increase is a positive step these roles typically tend to be part time and lower remunerated which likely impacts the pay gap.

The research suggests that there are less women in the higher-earning executive jobs thus indicating that women are also less involved in the day to day running of companies..

Fox & Partners says that the continued pay disparity and lack of diversity in senior positions could put financial services at risk of discrimination and possibly equal pay claims. There is also the potential for reputational risk if there is seen to be an apparent systemic issue with gender diversity at the top of their organisations.

Fox & Partners adds that ESG issues are increasingly high on the agenda for investors. Gender diversity forms a significant part of that assessment and companies that fall short will likely feel the pressure from shareholders and other stakeholders.

As a first step, organisations can 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 senior management

- Publishing progress annually against these targets in reports on their website
- 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 adds: “Financial services companies may be achieving their quotas, but the data indicates that they are not making sufficient change to close the gender pay gap.”

“Senior leaders in financial services need to question why it remains that few women are reaching the top level management positions. Despite greater diversity at a junior level, firms are yet to see that shift in more senior and in particular, executive positions.”

“To see real long-term change, firms must be honest about the barriers that may be preventing women from progressing through the ranks. They must also commit as a whole organization to taking the steps necessary to address the disparity to move towards closing the gender pay gap.”

No improvement in boardroom gender pay gap at FTSE 350 financial services firms even as men get paid less

	Average pay 2019/20	Average pay 2020/21
Male	£722,300	£689,550
Female	£247,100	£235,075
Pay gap	66%	66%

Women are most underrepresented on executive board positions

	Men	Women
% of all board roles that are executive roles held by	32%	9%
% of all executive board roles held by	86%	14%

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