

Does gender matter to what you are paid?

Intro

There's been lots of concern nationally about men being unfairly paid more than women and we've run some data to see if the same is true of us. So, do we get it right?

Well in most respects, yes we do, and overall we think we are fair. But in some areas we do need to work harder. We recognise that there *is* a pay difference and the purpose of this paper is to explore and share the things which have had the biggest impact on our figures so that we can all understand why.

Before we get stuck in, we're confident that our pay difference is not a pay issue. Our approach to reward is driven by job families which means that regardless of gender, people are paid fairly against others in roles similar to them.

Fact

When looking at our pay difference we sometimes reference both the mean and median figures so let's go back to school for a moment;

You get the mean figure by adding up all the numbers, then dividing it by the amount of numbers there are. An anomaly (particularly high or low figure) here could throw the overall average off, which is why the median figure is often a more reliable number to go by.

You get the median by putting all numbers in value order then selecting the middle one.

Published Info

The table below shows our reported pay difference between men and women, both for hourly rates of pay (as of April 2017) and annual bonus pay (over the 12 months prior to April 2017)

	Mean (average)	Median (middle)
Difference in hourly pay	29.67%	12.87%
Difference in bonus pay	54.51%	41.53%

The criteria, as set by the government, looks at four areas;

1) The difference in men and women's hourly rate of pay

To calculate hourly pay we were asked to use payroll data from April 2017 **only**. Each person's hourly rate consists of basic salary, any bonus pay received that month, shift allowance, adviser holiday uplift and adviser reward for protecting families.

We were also asked to include salary sacrifices (such as pension contributions or payments for childcare vouchers). As this is a deduction to pay, an individual's hourly rate of pay is less than it would have been if no salary sacrifice took place.

The figures in the table above show both the mean and median percentage difference between men and women's pay.

2) The amount of men vs women within 4 equal segments

Using the hourly rates as calculated in our first point, everyone was added to a numerical list from highest to lowest paid, regardless of roles.

We then split the list into four equal segments and reported on the total number of men and women in each.

The figures we publish in the pie charts later on show the percentage of men vs women in each of the four equal segments.

3) The difference in men and women's bonus pay

To calculate bonus pay we were asked to use payroll data from the 12 months prior to April 2017. This figure includes those quarterly rewards for achieving objectives (for some this is paid half-yearly) as well as the monthly reward our advisers get for protecting families. It also includes Project Partnership payments.

Again, the figures in the table above show both the mean and median percentage difference between men and women's bonus pay.

4) The percentage of men and women that received a bonus

As with point three, we looked at 12 months of data for this calculation.

Every role has scope to earn some sort of bonus payment (regardless of amount), but there were a few people that joined us towards the end of the reporting year who had not yet had the opportunity to earn any bonus, which is why we're not quite at 100%.

99% of men received a bonus

97% of women received a bonus

Consideration one;

If you haven't noticed already, the figures we published included the reward that advisers receive for protecting families. This reward is significant for many, and advisers account for 116 (38%) of the total LifeSearcher's that were reported on.

79% of our 116 advisers are men and so proportionately their variable pay has a bigger impact on not just the average hourly rate (as of April 2017), but also the annual bonus pay that our total men receive, when compared with the remaining 21% of female advisers on the hourly rate and bonus pay that we pay our total women.

We are already working on how to recruit more women to join the LS family and here's a few bullet points to show you what Chloe has been working on

- 1.1 Chloe has made good progress with a project to increase the amount of female advisers who join us and is running a best practice pilot with one of our new partners in Leeds, called Strand.
 1. Our consultants there are both female, so are building better relationships with female candidates than some other male dominated consultants.
 2. They are trialling job ads which may appeal more to females talking more about our culture, family-friendly, work/life balance etc.
 3. Removing from ads shopping lists of criteria which they feel could turn off women, that some male applicants would still progress with.
 4. As a result, 7 of the 12 recent role-plays in Leeds have been female candidates and this week's recruitment event is 50% male and 50% female. Both outcomes are unusual and likely not coincidental.
 5. Chloe is piloting these changes for a couple more months, then formulating it into a best-practice document which we'll circulate to all partners; to factor in as one of the T&C's of partnering with LifeSearch.

We also mentioned earlier that salary sacrifices were factored into our data.

What is salary sacrifice?

You give up part of your salary and, in return, LifeSearch gives you a non-cash benefit, such as childcare vouchers, or increased pension contributions. Once you accept a salary sacrifice, your overall pay is lower, so you pay less tax and National Insurance.

In some respects, the fact that we had to include salary sacrifices is acceptable because deductions for benefits such as pension affect men and women equally, but in the case of childcare vouchers, we see an unfair impact because 38% of LifeSearchers that claim childcare vouchers are part-time women. This means that not only do they earn a pro-rata'd salary, but often they will have the maximum amount deduction in vouchers so proportionately they are more negatively impacted in our data.

We looked to see what our pay difference would be if we left out the adviser reward and salary sacrifice elements from our data and found that the difference was much smaller than our published numbers.

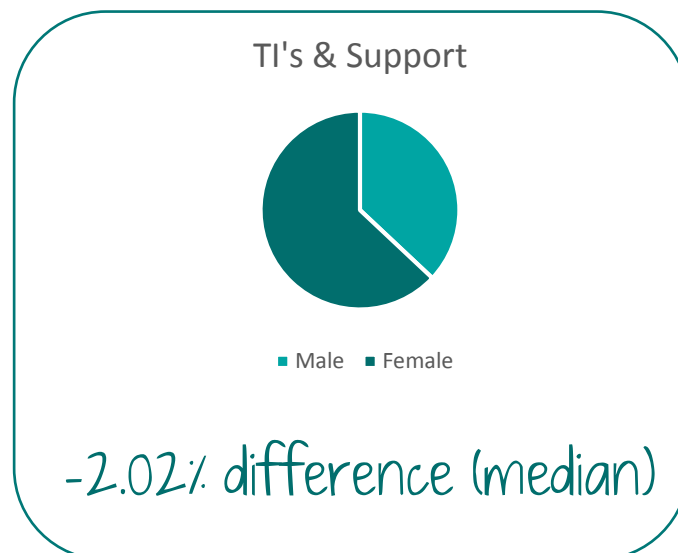
	Median (middle)
Difference in hourly pay	-0.09%
Difference in bonus pay	6.36%

The government assumes that our men will be paid more than our women so a percentage represents how much less women are paid than men. A minus % happens when women are paid more.

Consideration two;

We've already acknowledged that 79% of our advisers are male, yet LifeSearch as a whole has a fairly even split of males and females, so where are our women?

Well, 64% of our TI's and client support are women, so let's look at these roles on their own for a moment.



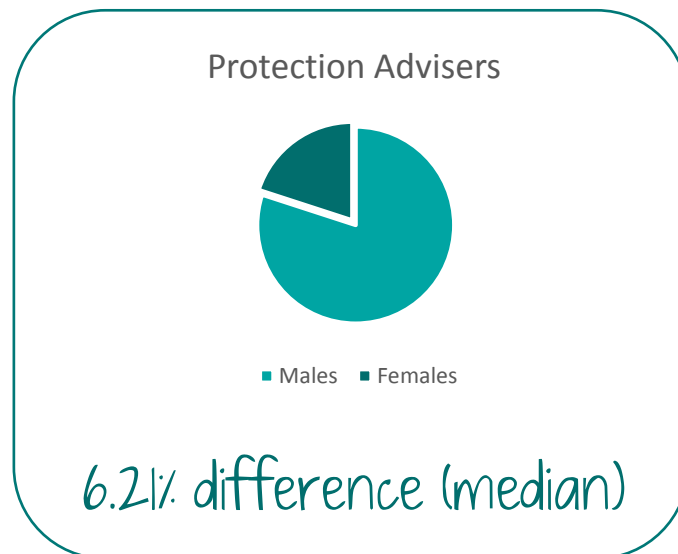
What does this actually mean?

- Well it means that if you are a female and you work as either a TI or client support, then stats show more women than men that have reached leading light and legend status and are therefore paid more.

Remember

Median means the 'middle number' and a minus figure appears when women are paid more than men.

We already know that we have more male than female advisers but how does their pay compare?



What does this actually mean?

- Well it means that if you are a female adviser then our stats show that you earn 69p less per hour than our male advisers

While basic salaries are the same, reward for protecting families is uncapped and depends on individual performance only.

Understanding our pay segments

Fact

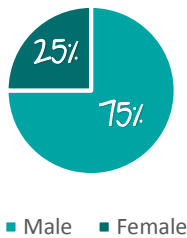
In April 2017 our gender split was 54% male, 46% women so the ideal would be to have a similar split in each of our four segments. We'll come back to this a little later on.

From the charts below you can see that males dominate our top two segments. This has already been partly explained because we know that many of our advisers (with variable pay structures) are men.

Just to remind you, we put everyone in numerical order of highest hourly pay to lowest (as of April 2017) then split into 4 equal segments (meaning that we could have people who do the same role sitting within different segments).

As the data is pulled from April 2017 alone, we'll find **advisers** in each segment.

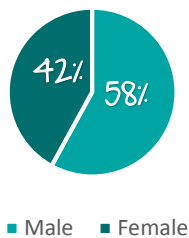
Upper segment



What do we know about this?

- This segment includes our leaders & influencers right up to our strategists as well as many advisers.
- This segment has only 25% of women but because we have well-paid women in our senior team this impacts the average pay and as a result we have a difference. This shows that our women are paid 11.84% more than our men here.

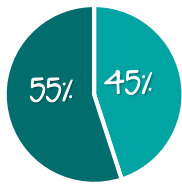
Upper middle



What do we know about this?

- This segment is home to our client heroes and our ground-breakers, as well as some advisers.
- There is a more even split of males and females in this segment and men are paid 5.96% more than females per hour. However, this difference is mostly caused by the reward for protecting families.

Lower middle

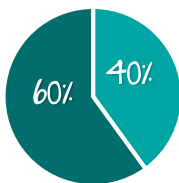


■ Male ■ Female

What do we know about this?

- This segment holds our senior client champions up to and including some of our client heroes.
- There are more females in this segment and men are paid 1.43% more than females per hour.

Lower segment



■ Male ■ Female

What do we know about this?

- Client carer's up to client champs sit here as well as some of our newer advisers.
- There are more females in this segment and men are paid 2.31% more than females per hour.

Summary

We pulled together this data because of a government initiative ,but it's been useful to help sharpen our knowledge around salary sacrifice and increasing our number of female advisers.

To re-cap, mainly because most of our advisers are men there are times when the reward paid to men and women can be different.

We hope that overall this paper reassures you our approach to reward is fair, but you can also be assured that where differences remain, we are committed to achieving equality.

Our approach to reward is driven by job families which means that regardless of gender, people are paid fairly against others in roles similar to them.

I can confirm that the published information is accurate.

People & Culture Director