

Age UK: Gender Pay Gap 2020

Understanding the Gender Pay Gap

The method by which the Gender Pay Gap is calculated and reported upon is set out in legislation. The mean pay gap is the percentage difference in average salary. The median pay gap is the percentage difference between the middle salary of all reportable female employees compared to all male reportable employees. The median is used as the key indicator. The median gender pay gap across the UK in 2020 is 15.5%. The numbers are based on a snapshot taken on 5 April 2020 of all reportable employees, which excludes any employees not receiving full pay in that pay period. Age UK did not report its 2019 Gender Pay Gap due to COVID-19, as allowed by the Government.

[Read more about Gender Pay Gap reporting on the GOV.UK website.](#)

As required by legislation, our report sets out Age UK's gender pay gap as at 5 April 2020. At Age UK we have two reportable companies - Age UK the charity, which includes colleagues in our influencing, services, and fundraising teams, and Age UK Trading CIC, which includes our back office (for example, IT, finance, and human resources) and retail colleagues. In April 2020, Age UK employed 328 reportable colleagues and the Age UK Trading CIC employed 1348.

Pay	Age UK, the charity		Age UK Trading CIC	
Mean gender pay gap	10.43%		20.92%	
Median gender pay gap	22%		0%	
	Female	Male	Female	Male
Lower quartile	85%	15%	84%	16%
Lower middle quartile	79%	21%	75%	25%
Upper middle quartile	73%	27%	85%	15%
Upper quartile	64%	36%	69%	31%

Bonuses	Age UK, the charity		Age UK Trading CIC	
Gender bonus gap - mean	61%		0.4%	
Gender bonus gap - median	14%		0%	
	Female	Male	Female	Male
% colleagues receiving bonus by gender	2.8%	3.8%	1.8%	3.1%

Age UK and Age UK Trading CIC, as a charity, do not pay bonuses as they are commonly understood, however we have honoured the long service awards of historical contracts from our legacy organisations, which for the purposes of gender pay gap reporting, fall into the definition of a bonus. We also run a nomination based 'You did it Award' scheme that provides for small payments to colleagues in recognition of special achievements. Although the gap can look significant, it is skewed by a small number here, as only 10 colleagues, amounting to £3,200, were in receipt of a bonus payment in the relevant period.

Supporting statement: Committed to reducing the gap

The median pay gap in the charity has increased to 22% (2018:16%) and fallen to 0% (2018:4%) in Age UK Trading CIC. Our analysis shows that people receive equal pay for equal work across both the charity and Trading CIC.

While we were pleased that one gap has closed, we were concerned that the median gap in the charity had widened. Our goal is to see a declining trend over time, and as we look

ahead to our 2021 report we can see the median gap decline again. However, the spike was concerning to us. We also don't want to rely on a single measure - the median pay gap - for a complex issue, so we've looked at the underlying data and the make-up of the charity to understand what's going on behind the headline. We want to ensure we're tackling the right problem in the right way, and genuinely supporting our female employees, and wider society, rather than chasing statistics that only give us a snapshot of a moment in time. Numbers can only ever give us a one-dimensional story, so one of the things we're going to do next is speak to our female employees to understand their real experiences.

Age UK, the charity, is a significant employer of women. Overall, 76% of our staff are female, which isn't unusual for charities, social care organisations, and many other professions. We are also female led, with our upper quartile at 64% female. Looking at our structure, rather than quartiles, five of our current eight Executive Directors are female, and 78% of our wider leadership team are female too. We're proud of that.

What drives most of the gap is the high percentage of females in our lowest quartile, which at 85%, is higher even than in many other charities. This has increased from 81% in our 2018 report. At Age UK, these are largely front-line roles in our call centres in Devon. As well as being lower paid roles cross-sector, they contrast with the higher salaries that we pay our knowledge workers (for example, our fundraisers, accountants, and IT specialists), and that the London market demands (where most of our knowledge workers are based).

To address the gap there are two main levers we can pull. The first is to increase the number of women in upper quartiles, which we are working to do. However, to shift the dial significantly, we'd also want to reduce the percentage of women in the lower quartiles. As a response to a wage progression issue for women, reducing the number of women in employment is counter intuitive. We are looking at increasing the diversity of our front-line staff, but the driver is improving caller and customer experience, not the gender pay gap.

Over the next year:

- We will report internally on our gender pay gap on a six-monthly basis using the calculation required by the government, but also a wider calculation that addresses an issue with the government statistics where 'non-reportable' employees, people who aren't on full pay for any reason, are excluded.
- We will take a deeper dive into what's going on behind the headline statistics, supplemented by research into the experiences of women working at Age UK, how they feel about career progression, ways of working, benefits, and other internal and external factors that affect equality of opportunity, especially considering the pandemic.
- We will begin our transition to a flexible first and digital first organisation and will adopt new ways of working, which will see our already highly flexible ways of working increase to intentionally break down some of the barriers that hamper equality of opportunity.
- We will improve our recruitment processes and practices to reduce barriers for potential employees and reduce selection biases, including using inclusive language in our adverts, being clear about must-have job skills, offering flexible working places and patterns, including more part-time working at all levels, and actively encouraging applications from people with experience gained in diverse ways.
- We will introduce new commitments to help women experiencing the perimenopause and the menopause, including raising awareness, breaking down the stigma, and providing emotional and practical support.
- We will run a conscious inclusion training programme, tailored to staff groups at different levels of our structure, as part of our work to improve equality, diversity, and inclusion.
- We will invest in development opportunities to help women progress, including testing leadership development support ahead of introducing a wider programme, and will be

transparent about the processes, policies, and selection criteria for development and promotion.

- We will explore what we can do to encourage more men, and people from diverse backgrounds, to apply for roles in our shops and in our call centres which, while having a positive impact on the gender pay gap, will be driven by a need to improve the experience of, and support for, our shoppers and callers.

We are committed to improving the wage progression of women and to reduce the gender pay gap. We believe the steps we will take over the next year will see us reduce the gap for the longer-term, supporting our goal to see a downward trend, but equally we want to be clear-sighted about the real problem we are working to fix, and our conversations with our staff will help us drive this forward.

Steve White
Interim CEO