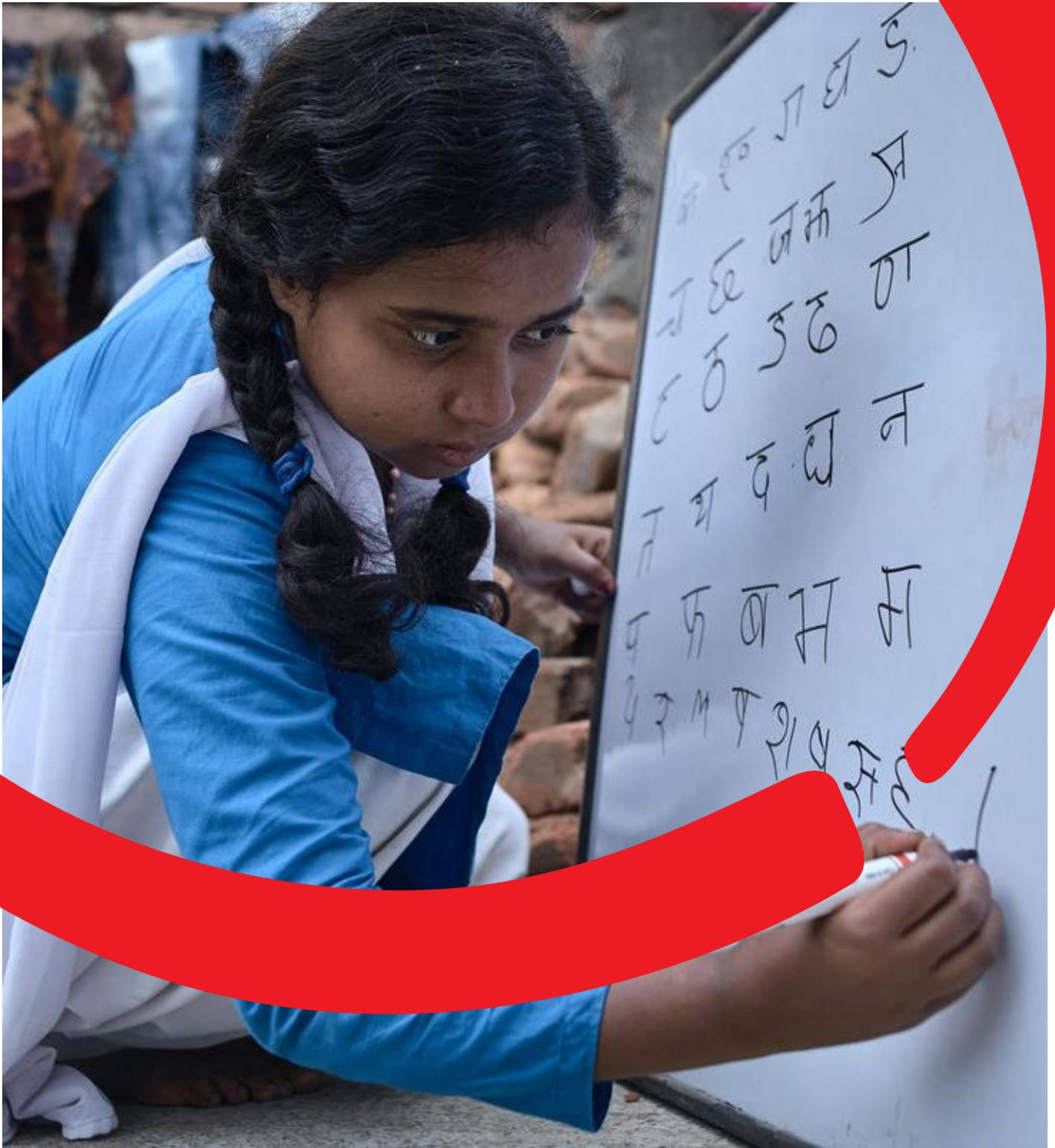




Save the Children



SCUK Ethnicity Data and Pay Gap Report 2020

Published October 2020

[Savethechildren.org.uk](https://www.savethechildren.org.uk)

Registered charity England and Wales (213890) Scotland (SC039570)

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1. Introduction

In June 2020, our Executive Leadership Team acknowledged the institutional racism that exists within the charity sector and Save the Children UK (SCUK) and affirmed their commitment to tackling both. This includes setting and publicising our June diversity baseline; breaking down our data; and publishing – and committing to narrowing – our ethnicity pay gap.

This report is a step towards transparency, and accountability to our POC staff. It will help us take sustainable, meaningful and authentic action, and to measure the impact of these actions. The report includes:

1. **Our diversity baseline data at the end of June 2020** – data that will be shared publicly every 6 months.
2. **A breakdown of our diversity data** – so that we can better understand intersecting characteristics of people who join us, stay with us, and are promoted in our organisation.
3. **Our ethnicity pay gap** – with a commitment to narrowing this by the end of 2020.

We still need to improve the quality of our data, but what's immediately clear is the need for us to focus on attracting, developing and progressing our POC staff; narrowing the pay gap; and tackling the negative experiences faced by these colleagues.

Key Terms:

Here are some definitions to help understand this data and analysis:

People of Colour (POC); this term represents our staff who identify as Black, Asian, or from another non-white group. We have used this in preference to BAME after feedback that BAME is terminology that many colleagues of colour do not identify with and because it elides too many different experiences of marginalisation.

We hope that in using this terminology and cutting the data in this way we have identified the groups who are most likely to experience marginalisation and structural racism. We are very interested in feedback if colleagues feel that this way of cutting the data misses important elements.

Pay gap:

This is the percentage difference between the average hourly earnings of different groups within a specific characteristic (between different ethnicity groups or between men and women, for example). The averages used are the mean and median which both have benefits and limitations but together help provide an overview to support understanding and further analysis. We've included more detail regarding why these different averages are used later on in this report under the section on the Ethnicity Pay Gap. You can also get a more complex analysis of the pay gap by combining different groups, such as the combination between race and gender (for example, what is the pay gap between Black women compared to White men?).

Ethnicity pay gap:

The ethnicity pay gap is the difference between the average hourly pay of People of Colour and White staff (including White British, Irish and White Other categories). It is usually expressed as a percentage difference. Both the mean and median are used.

Its aim is to help understand any difference in pay for ethnic minority staff when compared to White staff. As with a lot of data, it must be taken as a starting point and then understood by further analysis, because it only shows an average of pay at a specific point in time. However, it is an important measure to know and support further discussion, analysis, and action

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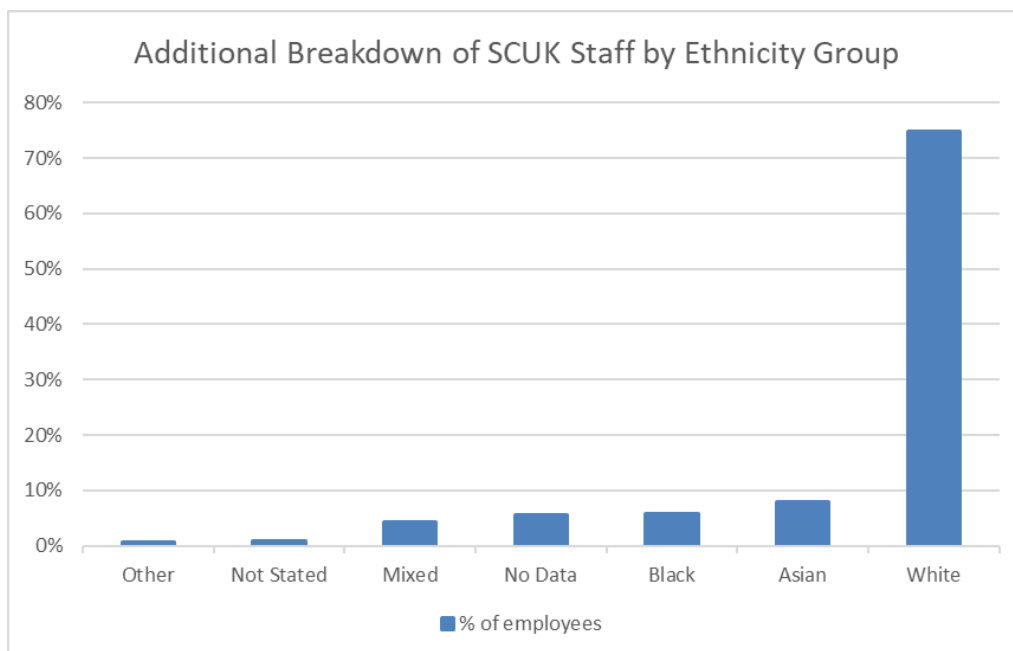
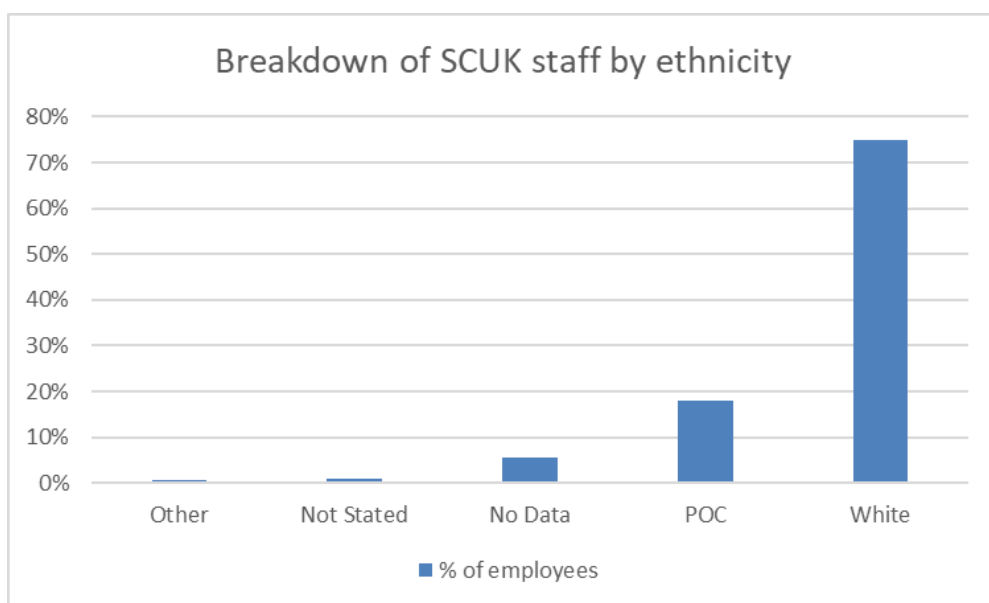
Intersectional:

The complex way in which the effects of multiple forms of discrimination (such as racism, sexism or classism) combine, overlap or intersect especially in the experiences of marginalised individuals or groups. Intersectionality identifies advantages and disadvantages felt by people due to this combination of factors.

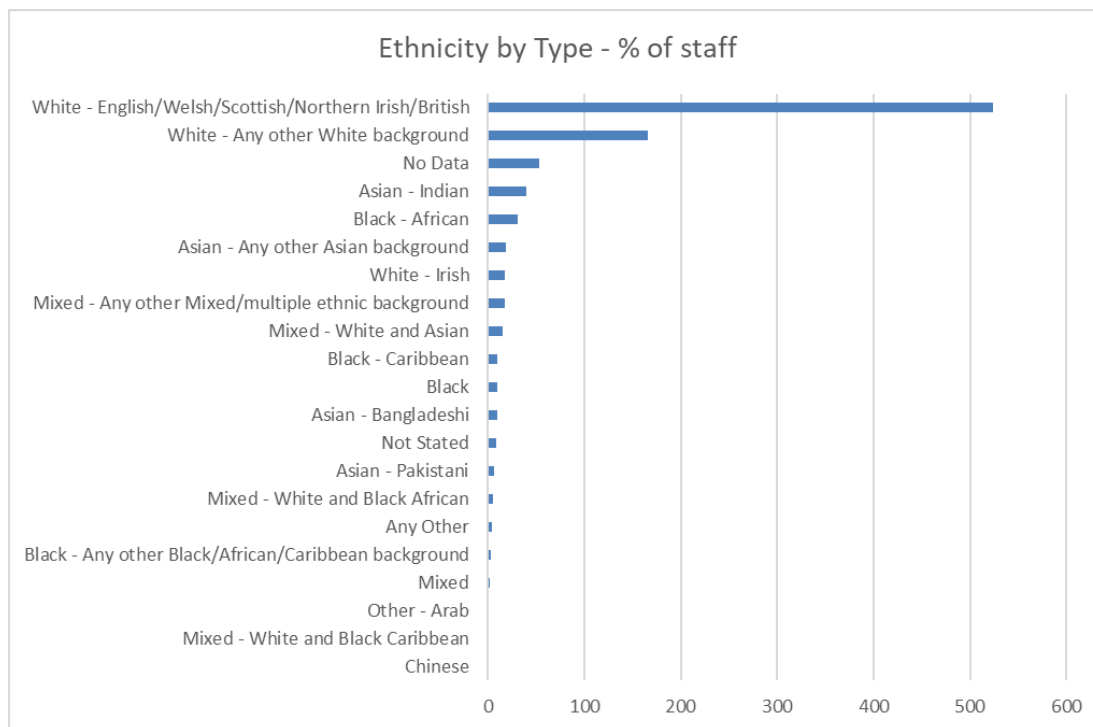
We all have multiple, overlapping identities that impact on our experiences, but not all identities are historically oppressed or marginalised.

In the ethnicity pay gap report we have looked at the combination of race and gender.

2. Our diversity baseline data (As of 30th June 2020)



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The first graph shows that 18% of our colleagues are POC, equating to 157 colleagues. Broadly, this level of representation appears comparable with ethnicity levels across the UK. However, further analysis highlights a number of important issues:

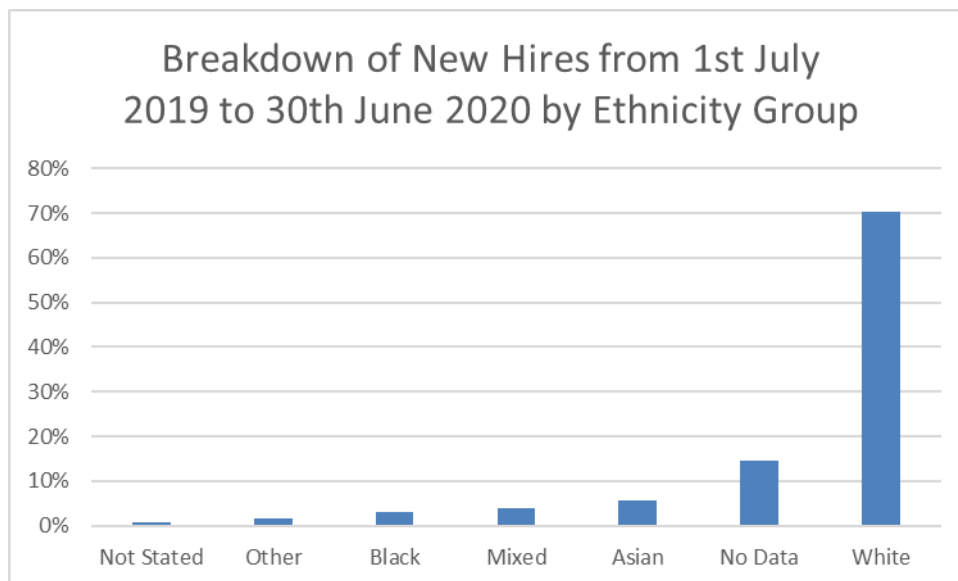
- **Missing data:** we're missing data for 57 staff, which represents 6% of all our staff, and could have a significant impact on the baseline data and the pay gap reporting. The reason for these gaps is varied including staff not willing to share due to a lack of trust, staff forgetting to input, and data shared not being placed onto the HR system.
- **Seniority:** Proportionally we have significantly fewer POC at more senior grades.
- **Categorisation:** The POC category is helpful in that it helps compare against the majority group (White). Yet it can hide differences between minority groups within this category, and we recognise that it doesn't address the fact that different communities face different levels of oppression.
- The proportions of People of Colour staff, especially at leadership level doesn't represent the communities we support in the UK and globally.

We also need to be mindful of considering this data from an intersectional lens, and not just view the experiences of our staff as a single group.

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3. A breakdown of our diversity data

Who is joining SCUK?



15%

15% of all new starters in the 12 months up to 30th June were POC. This is lower than the 18% of POC colleagues who currently work with us. 70% of all new starters were White.

Who is staying with SCUK?

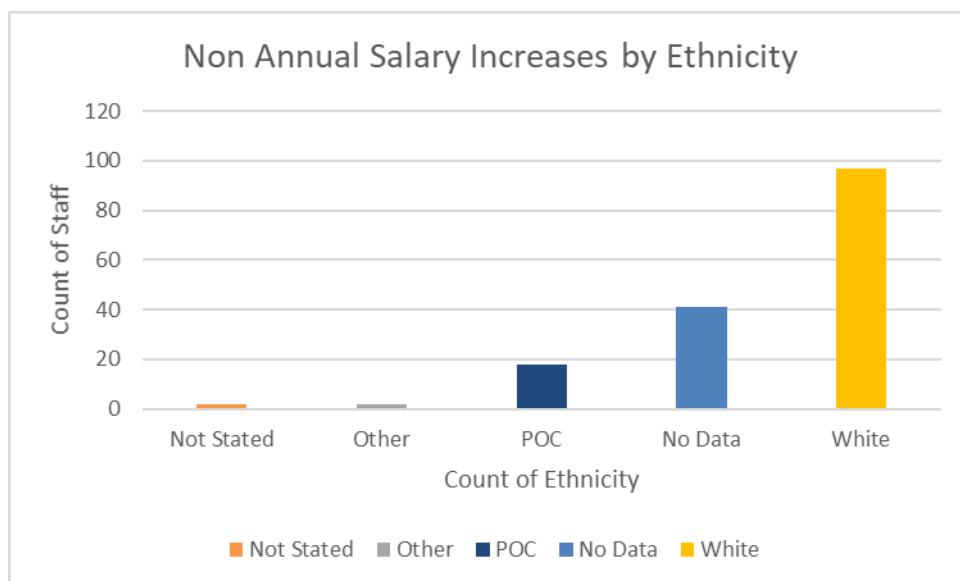
| | Colleagues who resigned in the last 12 months | Turnover rate |
|------------|---|---------------|
| Other | 0 | 0.0% |
| Not Stated | 0 | 0.0% |
| POC | 25 | 2.9% |
| (blank) | 28 | 3.2% |
| White | 117 | 13.5% |

This initially suggests the proportion of leavers from SCUK who are POC is lower than for White staff. However, when looking at the proportion of leavers from each group against the total number of staff within each group, the turnover rate for People of Colour is 20.2% and for White staff 20.5%. This aligns more closely with the concerns and experiences shared by our People of Colour staff.

Who is being promoted within SCUK?

We can't robustly report on this because our current data doesn't have clear enough categories to identify promotions compared to other changes. So, as a starting point we have looked at staff who have had their salary increased.

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This shows:

- 160 colleagues received a salary change which was not an annual pay ward and represents both vertical (for example, promotions to higher grades) and horizontal movements (for example, moves to roles at the same grade).
- Of these 160 colleagues, 18 (11.25%) were POC, and 97 (60%) were White.
- 76% of these colleagues are female, which aligns with the organisation-wide proportion of female employees at SCUK. However, we can't currently analyse this further from an intersectional perspective due to the relatively small sample size combined with gaps in the ethnicity data. This effects both the validity and reliability of the data.

We need to keep narrowing those gaps and improving the quality of our data. It is critical for transparency and making sure People of Colour within SCUK get equity in career development. This includes taking a holistic view to career development. It's not just about focusing on promotions to higher graded roles. It's also about measuring development opportunities on offer and keeping an eye on who benefits from them - a critical part of our new career development framework.

4. Our ethnicity pay gap

The ethnicity pay gap is the difference between the average hourly pay of People of Colour staff and White staff (including White British, Irish and White Other categories). It is usually expressed as a percentage difference using both the median and mean.

The median is where the salaries are organised from lowest to highest in order and the central point is taken as the average. It is generally seen to be the more reliable average, as it reduces the impact of very high or very low salaries (This is why the mean average is usually higher than the median).

The mean average can help provide a fuller picture of what is happening. For example, if the mean is higher, this would suggest there are fewer POC in higher paid roles.

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| Ethnicity pay gap | June 2020 |
|-------------------|-----------|
| Mean (average) | 4.94% |
| Median (middle) | 2.11% |

What does this mean?

Based on the median average, POC staff at SCUK are paid 2.11% less than White staff and 4.94% less based on the mean average.

As a frame of reference, the most recent Office of National Statistics Ethnicity Pay Gap data from 2018 found the median pay gap between White and Ethnic Minority Groups in Great Britain was 3.8%. In London it was found to be 21.7%. There is no robust data on this from the Charity Sector.

We are committed to viewing our data through an intersectional lens to get a more accurate and detailed picture of our ethnicity pay gap. We also looked at the combination of gender and the largest minority ethnic groups.

| Intersectional breakdown for June 2020 | | Gender Pay Gap by Ethnic Group* | | Pay Gap comparing White Male to each Female Ethnic Group | | Pay Gap comparing White Male to each Male Ethnic Group | | Pay Gap comparing White Female to each Female Ethnic Group | |
|--|-------|---------------------------------|---------|--|--------|--|--------|--|---------|
| Ethnicity | # emp | Mean | Median | Mean | Median | Mean | Median | Mean | Median |
| Asian | 78 | 2.86% | -0.51% | 15.03% | 9.41% | 12.52% | 9.87% | 3.35% | -0.34% |
| Black | 46 | 19.28% | 16.83% | 23.58% | 19.75% | 5.33% | 3.51% | 13.07% | 11.11% |
| Mixed | 40 | -6.01% | -3.84% | 7.36% | 9.44% | 12.60% | 12.79% | -5.38% | -0.31% |
| Other | 6 | -9.54% | -8.23% | -0.87% | -7.45% | 7.91% | 0.72% | -14.74% | -19.02% |
| White | 706 | 12.09% | 9.72% | | | | | | |
| Undeclared/No Data | 57 | -17.63% | -15.27% | 11.41% | 7.58% | 24.69% | 19.83% | -0.77% | -2.37% |

The most striking finding is that overall, Black women earn 23% less than White men and 13% less than White women, an increase on the data shared in May 2020 by our BAME Staff Network. This finding could point to the theory that we see can both sexism and racism at play in SCUK.

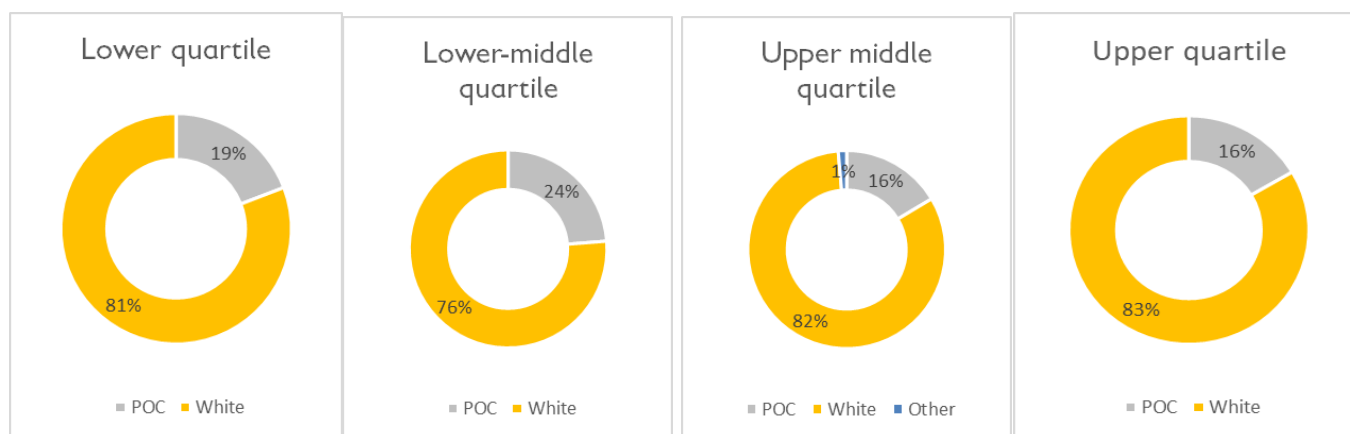
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This is especially the case at Grade D. We urgently need to look into this further and put in place actions to address it.

Further analysis of the ethnicity pay gap

Quartile analysis June 2020

Pay quartiles are equally sized pay bands, ranging from the lowest paid 25% of staff to the highest paid 25%. These figures tell us something about the distribution of staff and so help us understand the mean and median pay gap figures.



- The quartile analysis for June predominantly shows that we have a low level of POC representation across our organisation, and that it gets lower as the seniority increases.
- When we have analysed the areas where we have the highest pay gap it shows that these areas have a relatively small number of staff which has a low number of POC. Therefore, a small change in POC representation would lead to a relatively large change in the pay gap. In some grade levels, a change in 1-2 staff could narrow our overall mean gap by up to 3%
- We need to be careful about what our overall pay gap data suggests. It may appear positive in comparison to the UK and London median pay gaps (Office of National Statistics, 2018), but a lower pay gap can be driven by a lack of representation, which is an issue in itself.
- The specific gaps by grade have not been stated in this report to ensure anonymity.

5. Conclusions

We commit to taking action in the following areas over the next three months:

On our data, we will:

- Take forward a focused piece of work asking staff to update their data on the system, sharing how it is securely stored, the benefits of this, what it is used for, and also look to further understand why staff may not feel comfortable with sharing their personal information. As part of this ensure there is recognition of Latin American staff by having a category on our system for staff to select.
- Improve our systems to better track promotions and the different types of job movements, including:

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- Clearly defining the different types of changes to the roles of staff (for example, promotions) and make sure they are incorporated into our system so we can report on them.
- Introducing a process to get and record data for all applicants with protected characteristics at the different recruitment stages – from applications to interviews.

On pay, we will:

- Look into ensuring our pay policy allows for consistent and fair pay awards, and how to close discernible pay gaps for new and current staff at all levels
- Investigate the root causes of the pay gap for all our Black colleagues, especially Black women, to focus on specific actions which we can then take forward as part of our Diversity & Inclusion Strategy and Implementation plan.
- Undertake further analysis ahead of our next ethnicity pay gap report at the end of 2020 to better understand the root causes of the higher ethnicity pay gap at lower grades.
- Ensure that all starting salaries are specifically considered taking into account the reported ethnicity pay gap and ensuring the level of pay is assessed and consistent against levels of pay for similar roles and levels of pay of White staff.
- Consider how we appropriately recognise expertise from smaller organisations and overseas to ensure fairness in our recruitment processes and mitigate any impact this may have on starting salaries. This will also be incorporated into our review of all starting salaries.

On recruitment, we will

- Work to become a more attractive employer brand for POC at all levels (and across all protected characteristics)
- Identify negative bias within our recruitment processes and take forward actions to remove this.