

# Charity Finance Salary and Benefits Survey Report 2019



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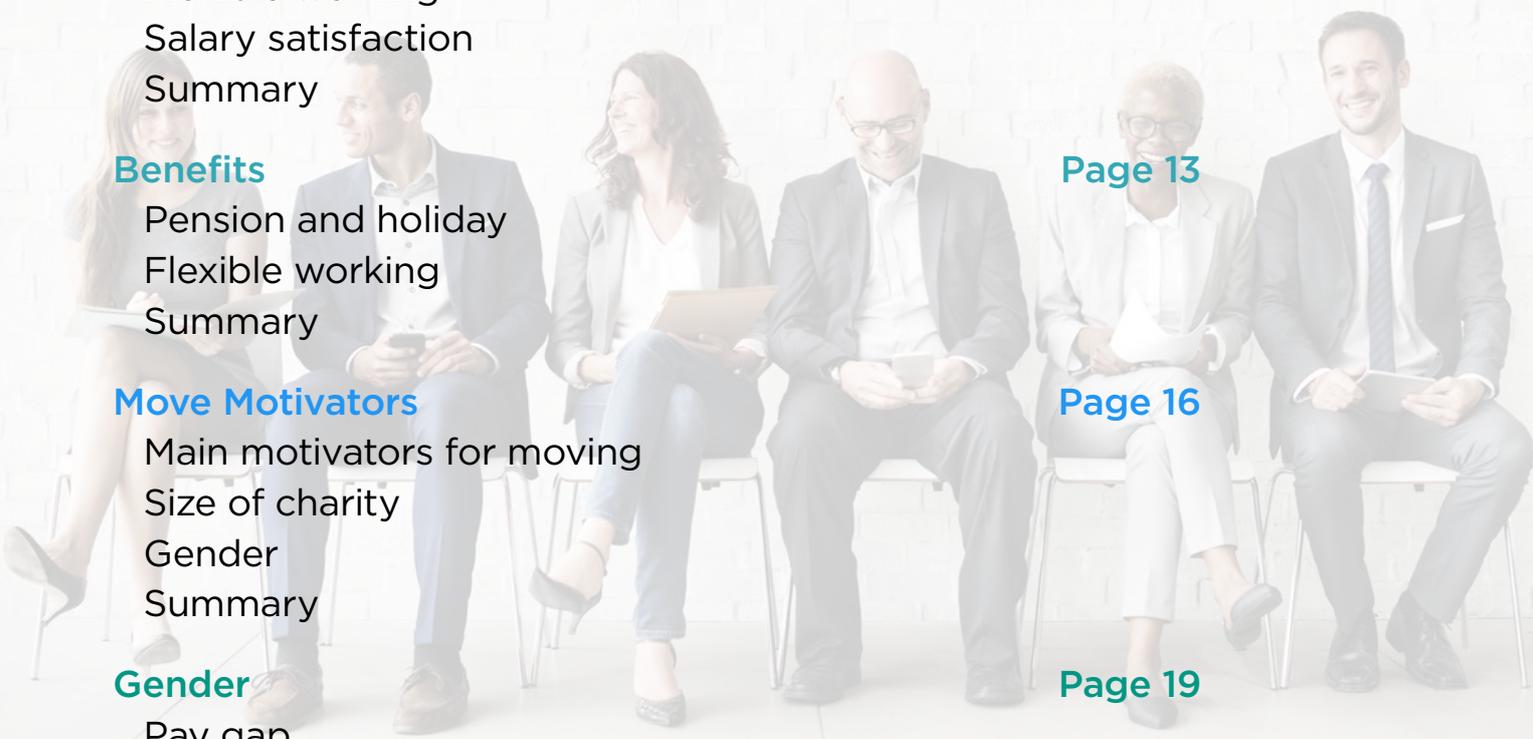
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# Foreword



A very warm welcome to the Robertson Bell Charity Finance Salary and Benefits Survey Report 2019. Thank you to all the finance professionals that have taken the time to complete the survey which has enabled us to deliver this sector specific insight.

In this year's report you will notice that we expanded our research to include more information for you around benefits, which particularly in the current economic climate, are forming an increasingly important dimension to candidate attraction and retention.

Demand for the top talent across the not for profit sector has never been stronger and continues to grow year on year. Here at Robertson Bell, our finance team are consistently growing and going from strength to strength, successfully placing finance professionals within a record number of clients.

73% of our work this year has been done with existing customers, a testament to the hard work and dedication of the team and the partnerships they develop. We are also extremely proud of our work with a number of new organisations and looking forward to working with them again in future as we continue to build relationships in the sector.

You and I are both very aware that each organisation is different, as are your needs and expectations. Size and location make a significant impact on salaries offered and it is important to note that the majority of our respondents are in London and the South East. As specialists in the not for profit and public sector we partner with organisations and candidates throughout the UK, so if you would like advice on a particular salary, tailored to your organisation, do get in touch with our specialist team who will be happy to advise you.

Attracting and retaining the best candidates continues to be a challenge and organisations are having to be innovative and flexible in their approach. We hope that this survey highlights some of the key drivers and trends that can help you develop successful strategies, whilst offering insight into a growing, increasingly complex sector.

A handwritten signature in black ink, which appears to read 'Stuart Bell'. The signature is written in a cursive, flowing style.

CEO & Founder

# Executive Summary

The Robertson Bell Charity Finance Salary and Benefits Survey 2019 maps the steady rise in salaries for finance professionals across the charity sector and identifies the key drivers of movement for the 68% of respondents open to a move in the next 6 months. This puts us in the best position to provide you and your organisation with advice to shape candidate attraction and retention strategies and give you, as a candidate, insight into a growing and exciting sector.

This report analyses the responses to our survey sent to over 1000 finance professionals in the sector and utilises information from our own database of over 100,000 contacts. It identifies salary and benefit trends across charities of all sizes, breaks down average salaries for roles at different levels and sheds light on what key drivers are pushing candidates towards a new role.

2018-2019 has seen another rise in average salaries, although the 3.24% average increase highlights a significant slowdown compared to the 6% average increase seen last year. The greatest increase this year has been for Management Accountants/Finance Business Partners in the £60m+ turnover charities, again a contrast to last year, where the highest increases were seen in the smaller charities.

Benefits offered vary considerably across the sector and whilst permanent respondents were offered a pension and holiday package, we saw a huge range. Employer pension contributions varied from 3% to 20% and holidays for full time staff ranged from 20 to 30 days (not including bank holidays). Flexible working was again identified as a key benefit, with 90% of respondents identifying this as extremely important to them.

With campaigns such as #CharitySoWhite putting a spotlight on the perceived lack of diversity in the sector, this report provides some insight into diversity and inclusion, evaluating gender and BAME representation at different levels and revealing pay imbalances in charity finance teams. Our survey also identifies a widening gender pay gap, despite a more even gender balance in senior positions across £60m+ charities.

The sector continues to be highly mobile, with 68% of respondents open to a move in the next six months. Whilst 2019-2020 brings some political and legislative uncertainties in the form of IR35 reform and Brexit, this uncertainty has not prevented people operating in the sector from focusing on their own personal or professional development. With the majority of respondents proactively exploring new opportunities that might give them that next step up in salary, responsibility, or work life balance, we expect to see some interesting changes over the next 12 months.

# Salary

The average salary increase across charity finance = 3.24%

Average salary increases 2018/2019<sup>1</sup>

## Salary changes by size of charity

### £0-£9M CHARITIES

#### PERMANENT

	Lower rate	Higher rate	Average	% Salary increase from 2018
SENIOR MANAGEMENT	£50,000	£75,000	£67,000	<b>1.7%</b>
MANAGEMENT	£37,000	£52,000	£44,000	<b>6%</b>
NON-MANAGEMENT	£23,000	£41,000	£31,000	<b>2.6%</b>

#### FIXED TERM CONTRACT

	Lower rate	Higher rate	Average	% Salary increase from 2018
SENIOR MANAGEMENT	£52,000	£80,000	£70,000	<b>4.6%</b>
MANAGEMENT	£38,000	£55,000	£47,000	<b>4.9%</b>
NON-MANAGEMENT	£24,000	£42,000	£33,000	<b>0.1%</b>

#### TEMPORARY

	Lower rate	Higher rate	Average	% Salary increase from 2018
SENIOR MANAGEMENT	£350	£500	£446	<b>7%</b>
MANAGEMENT	£180	£270	£230	<b>3%</b>
NON-MANAGEMENT	£90	£155	£136	<b>2%</b>

## £9M-£60M CHARITIES

### PERMANENT

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£74,000	£114,000	£89,000	<b>4%</b>
SENIOR QUALIFIED	£49,000	£62,000	£56,000	<b>3.2%</b>
QUALIFIED	£40,000	£52,000	£47,000	<b>3.6%</b>
OTHER	£24,000	£38,000	£32,000	<b>0.6%</b>

### FIXED TERM CONTRACT

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£81,000	£119,000	£91,000	<b>2.2%</b>
SENIOR QUALIFIED	£50,000	£65,000	£59,000	<b>1%</b>
QUALIFIED	£40,000	£53,000	£50,000	<b>1.5%</b>
OTHER	£24,000	£38,000	£34,000	<b>3%</b>

### TEMPORARY

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£400	£800	£583	<b>5%</b>
SENIOR QUALIFIED	£290	£380	£315	<b>2.2%</b>
QUALIFIED	£205	£348	£271	<b>1%</b>
OTHER	£90	£180	£149	<b>3.5%</b>

## £60M+ CHARITIES

### PERMANENT

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£90,000	£160,000	£128,000	<b>5.4%</b>
SENIOR	£56,000	£74,000	£65,000	<b>4.2%</b>
MANAGER	£46,000	£60,000	£54,000	<b>4.6%</b>
QUALIFIED	£38,000	£54,000	£47,000	<b>8%</b>
OTHER	£22,000	£36,000	£29,000	<b>0.6%</b>

### FIXED TERM CONTRACT

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£92,000	£160,000	£123,000	<b>4.2%</b>
SENIOR	£58,000	£74,000	£70,000	<b>6.9%</b>
MANAGER	£46,000	£60,000	£56,000	<b>2%</b>
QUALIFIED	£38,000	£54,000	£48,000	<b>3%</b>
OTHER	£23,000	£37,000	£30,000	<b>0.1%</b>

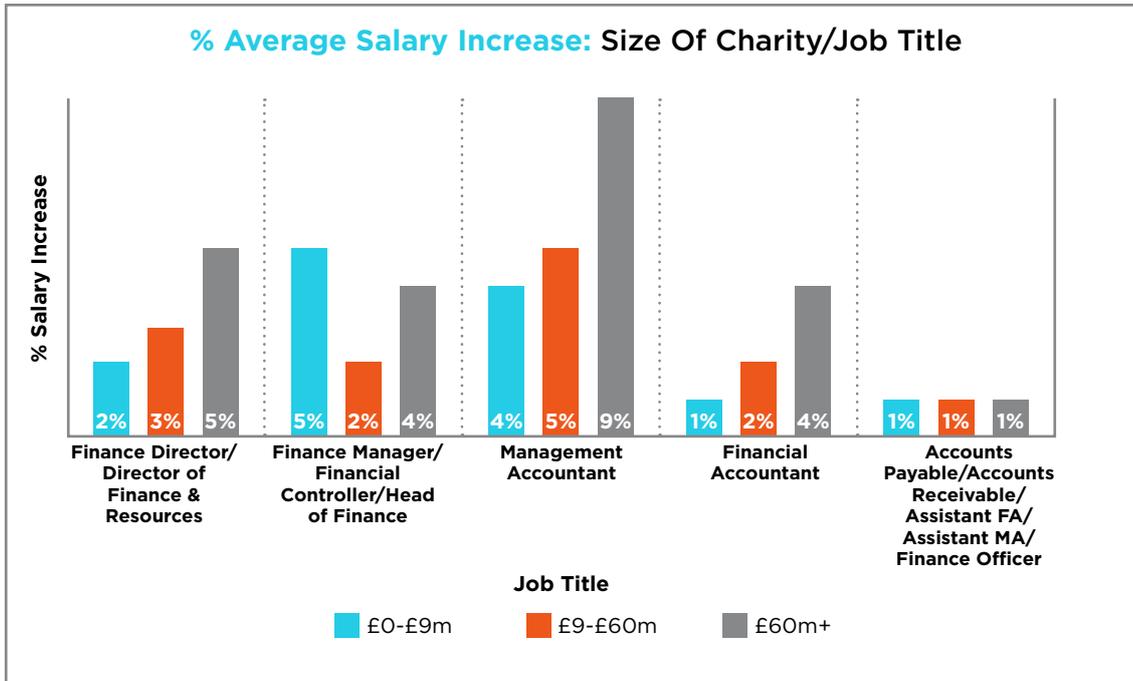
### TEMPORARY

	Lower rate	Higher rate	Average	% Salary increase from 2018
DIRECTOR	£600	£1,200	£788	<b>7.9%</b>
SENIOR	£350	£480	£420	<b>0.1%</b>
MANAGER	£250	£397	£325	<b>2.4%</b>
QUALIFIED	£200	£318	£290	<b>4%</b>
OTHER	£90	£180	£134	<b>1%</b>

The average salary rise across the charity sector is 3.24%, 1.54% above the CPI.<sup>2</sup> When we drill down into the data, we notice that although the biggest percentage salary increase is in the larger charities, there are a few cases where salaries of higher turnover charities (£60m+) are more in line with the medium sized charities (£20 - £60m t/o). We have experienced a few cases where big brand name charities have been able to secure top quality candidates at rates more aligned to the mid-sized charities, where candidates have put a CV enhancing opportunity and experience of working with a household name charity above their remuneration.

### Salary and job title

This year there have been shifts in salary patterns and increases. Last year, we saw a dramatic salary increase in the smaller charities with an average of just under 9%. This year, we have seen the greatest increase in some of the larger charities, for specific roles such as Management Accountants in organisations with a financial turnover of over £60m.



At Robertson Bell we have noticed an influx of candidates moving into Management Accountant/Finance Business Partner positions from the commercial sector. When researching on LinkedIn, our results showed that of the circa 350 Management Accountants/Finance Business Partners who have joined these roles recently, the most frequently seen 'prior companies' were; PwC, EY, Deloitte, KPMG, HSBC and Barclays. With 46 out of 358 people coming from these companies, these commercial organisations contributed a significant 12.8%\*. Of the 117 people who have moved in the last year, 12 have come from the Big 4, 10.3%\*

<sup>2</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/august2019>

\*LinkedIn, correct as of 2.10.19

There has been a general trend of moving towards a ‘business partnering mentality’ in the sector, which could account for the influx of candidates from commercial organisations who are already further along this journey. Although many candidates joining the sector are not joining for a salary increase (in fact, our experience is that most take a pay cut to join the sector), comparatively high salaries form part of a more attractive wider package as few can afford to disregard salary completely. For candidates making a move into the sector, too significant a drop in salary and earning potential can be a barrier to entry, so higher salaries can help roles stand out and mitigate this concern for commercial candidates.



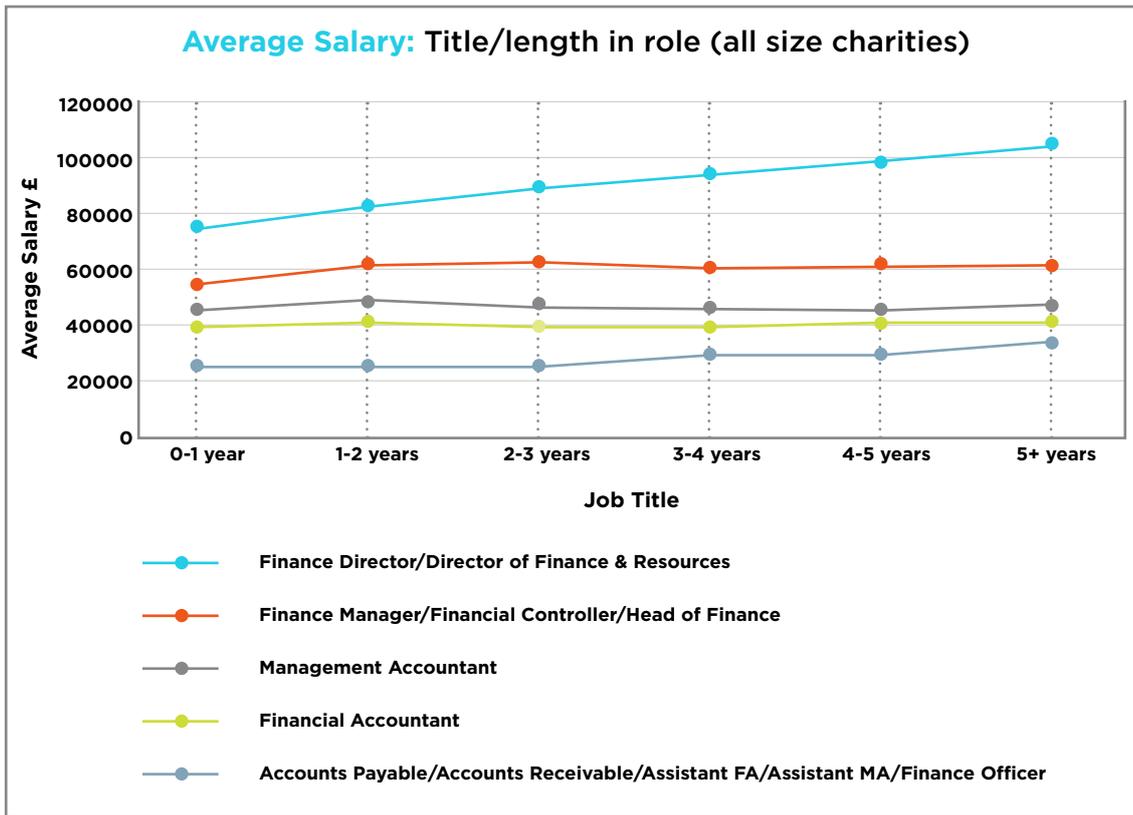
*“Finance is becoming an increasingly valuable function, with many charities empowering finance teams to get more involved in the wider business. Working collaboratively with income generating teams, finance plays an invaluable role in determining financially sound business strategies. Additionally, through finance building close relationships with head of departments and operational teams, finance business partners can provide more insight into expenditure and through upskilling heads of departments, can drive better financial management. Business partnering and financial analysis is essential for organisations to operate efficiently. Given increased pressures on the sector such as rising costs for fundraising<sup>3</sup> and the potential repercussions of reduced disposable income on charitable giving<sup>4</sup>, finance can play a key role in enabling charities to make best use of funds and focus on those income generating activities that provide the greatest ROI. As charities aim to make best*

*use of resources for growing their unrestricted income, whether this is through renting office space or renting space for events, this more commercial way of generating revenue puts a greater emphasis on the need for a broad financial skillset. Although charities support and encourage sharing of information and knowledge, there is still competition for government funding and all charities are proactive about demonstrating and driving value for money.*

*Perhaps because the value in these positions can be more easily measured, to attract and retain good people is driving a faster increase in salaries for these roles than others. This is not exclusive to business partners however, as changing pressures on charities may have a similar effect; for example, salary increases for Financial Controllers and Financial Accountants may be driven by regulatory changes and compliance pressures.”*

**Harry Peasnell**

We compared salary increases for those moving from role to role and those staying in their role for longer. The results showed little variation for the Senior and Junior level positions, however the mid-level positions (Finance Manager, Financial Controller, Head of Finance and Management Accountants) gained remuneration advantages by moving more frequently.

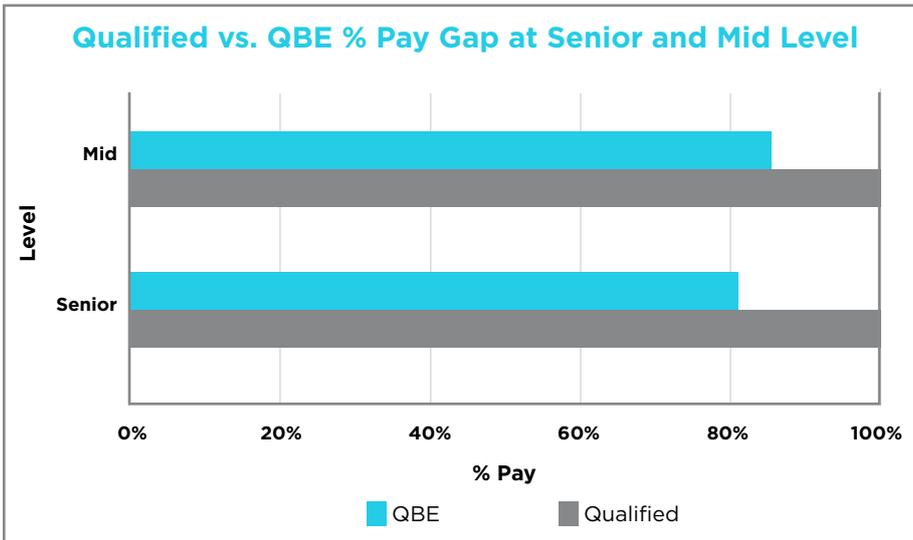


Salaries of Finance Directors are on average higher for longer serving FD's. From our respondents, the average salary for a permanent FD, in post (across the sector) is £86,046 whereas the average salary for an FD, newly in post is £76,614. This is a contrast to Management Accountants, Financial Accountants and Finance Business Partners who seem to reach their peak salary between year one and two, suggesting that this is an optimum time to move.

The salary trajectory of Finance Managers/Financial Controllers and Heads of Finance is particularly interesting, although they do not experience the continuous steady increase of FD's, nor appear to move as early as Management Accountants/Financial Accountants who see an average salary dip at year 2 (indicating the higher paid moving up into other roles at this stage). The gradual increase until approximately year 3 suggests that at this point, some with higher pay may take on more senior Director level roles which then brings the overall average down, before levelling out again at year 4 in line with steady salary increases.

### Salary and qualification

Our data shows that accountants who describe themselves as “qualified by experience” are, on average, not as well remunerated as those who hold a recognised accountancy qualification e.g. CIPFA, CIMA, ACCA, ACA. Our results show a pay gap of 17% at Mid level and 19% at Senior level.

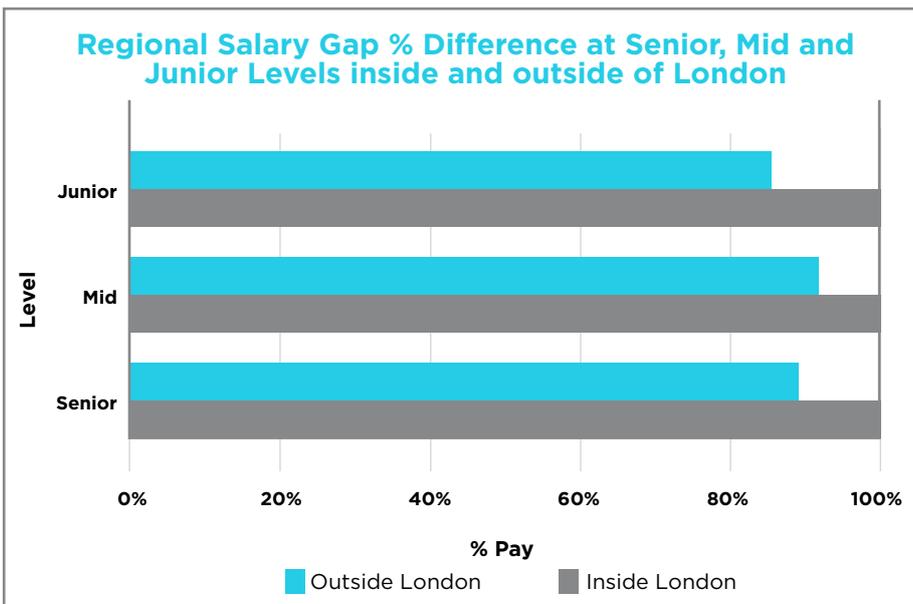


**Senior** = Deputy Head of Internal Audit/Director of Finance/Director of Finance and Resource/ Financial Controller/ Head of Finance/Head of Management Accounts

**Mid** = Finance Manager/ Financial Accountant/ Management Accountant/Project Accountant, Project Accountant/ System Accountant/ Internal Audit

### Salary and location

Our research confirmed there is a higher number of contractors based in and around central London, which is where we find the interim market is most buoyant and opportunities tend to be more concentrated.



**Senior** = Director of Finance, Director of Finance & Resource, Financial Controller, Head of Finance/Deputy Director of Finance, Head of Management Accounts

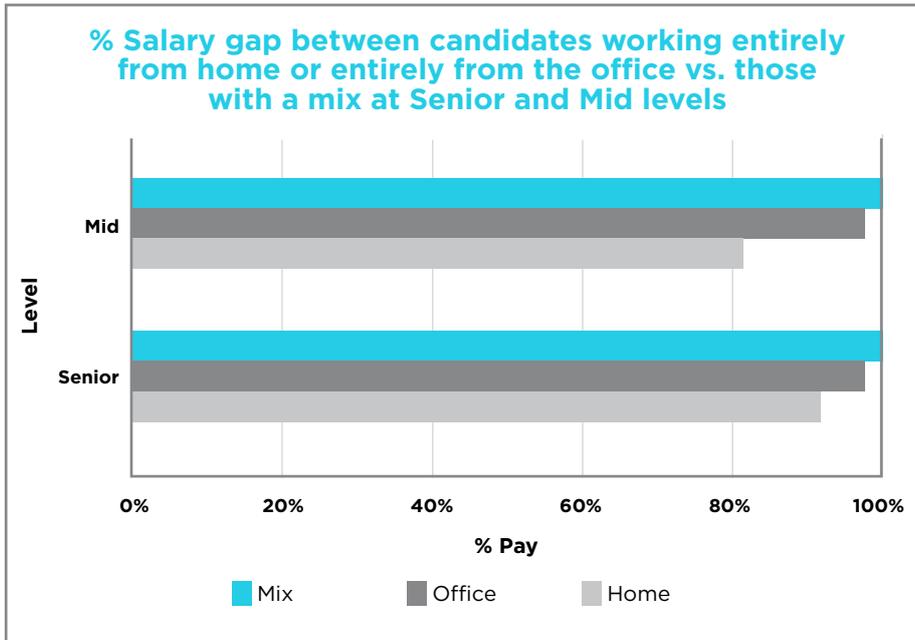
**Mid** = Finance Manager, Financial Accountant, Finance Analyst, Management Accountant/ Finance Business Partner, Project Accountant/System Accountant/Internal Audit

**Junior** = AP/AR/Credit Control Officer, AP AR Manager, Assistant FA, Assistant MA, Finance Officer/Assistant Accountant)

Salary levels are higher in London than outside, with differences ranging from 8% to 16% across the different levels of seniority.

### Salary and flexible working

Our results showed that the highest salaries at the Senior and Mid levels were seen in respondents who worked both from home and the office, compared to those working at home full time or with no working from home flexibility. The graph below highlights the differences, showing that those working from home full time are paid a significantly lower salary than those working from the office part time or full time.



**Senior** = Deputy Head of Internal Audit/Director of Finance/Director of Finance and Resource/ Financial Controller/ Head of Finance/Head of Management Accounts

**Mid** = Finance Manager/ Financial Accountant/ Management Accountant/Project Accountant, Project Accountant/ System Accountant/ Internal Audit

### Salary satisfaction

Of all respondents, it is Management Accountants (across all size charities) who are the most satisfied with their remuneration, perhaps not a coincidence considering they have experienced an average salary increase of 6%, well above the average increase of 3.24% for finance across the sector.

### Summary

Despite an average salary increase still above the CPI, the rise in average finance salaries is less than the average UK salary increase of 3.6% (excluding bonuses).<sup>5</sup> This is possibly why we still see a high proportion (68%) of respondents open to a move for the right role, identifying their main motivators for moving as;

- An increase in salary
- A promotion (an increase in salary and responsibility)
- Better benefits

*(See move motivators, page 16)*

<sup>5</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/averageweeklyearningsingreatbritain/july2019>

# Benefits

## Pension and holiday

Our respondents' maximum employer pension contributions vary greatly between the range of 3% and 23%, with the average maximum employer pension contribution sitting at 6%. This is comparatively favourable when compared to private defined contribution schemes where the average total (member plus employer) contribution rate is 5%.<sup>6</sup>

**To compare the importance of pensions against holiday days, we asked respondents to rank these two questions in order of preference:**

*Employer pension contribution of 18% with 22 days holiday + bank holidays.*

*Employer pension contribution of 4% with 32 days holiday + bank holidays.*

**Our results:**

62% of **men would choose a higher pension** contribution over more holiday days if given the choice.

55% of **women would prefer more holiday days** over a higher pension contribution if given the choice.

## Flexible working

Our results evidence that flexible working continues to be very important to finance professionals in the sector and in our experience some organisations recognise that their remuneration may be slightly below the average salary for a position, but they are still able to attract good talent by offering flexible working as an option, whether this is flexible hours or the ability to work from home.

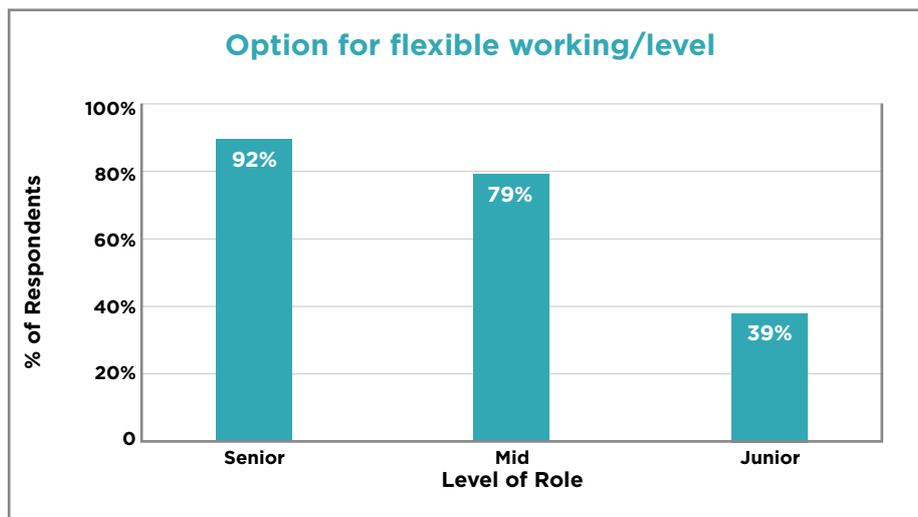
**70% of respondents currently have the option of flexible working** (either flexible hours or flexible location).

**Permanent 92% think flexi-working is important.**

**FTC 88% think flexi-working is important.**

**Temp 90% think flexi-working is important.**

Given how highly candidates regard flexible working, employers not currently offering it are potentially missing out on talent.



**Senior** = Director of Finance, Director of Finance & Resource, Financial Controller, Head of Finance/Deputy Director of Finance, Head of Management Accounts

**Mid** = Finance Manager, Financial Accountant, Finance Analyst, Management Accountant/Finance Business Partner, Project Accountant/System Accountant/Internal Audit

**Junior** = AP/AR/Credit Control Officer, AP AR Manager, Assistant FA, Assistant MA, Finance Officer/Assistant Accountant)

*Our data shows that Senior level roles are most likely to be offered flexi-working as an option.*

*In our view this is as expected and can be broken down into 4 key areas:*

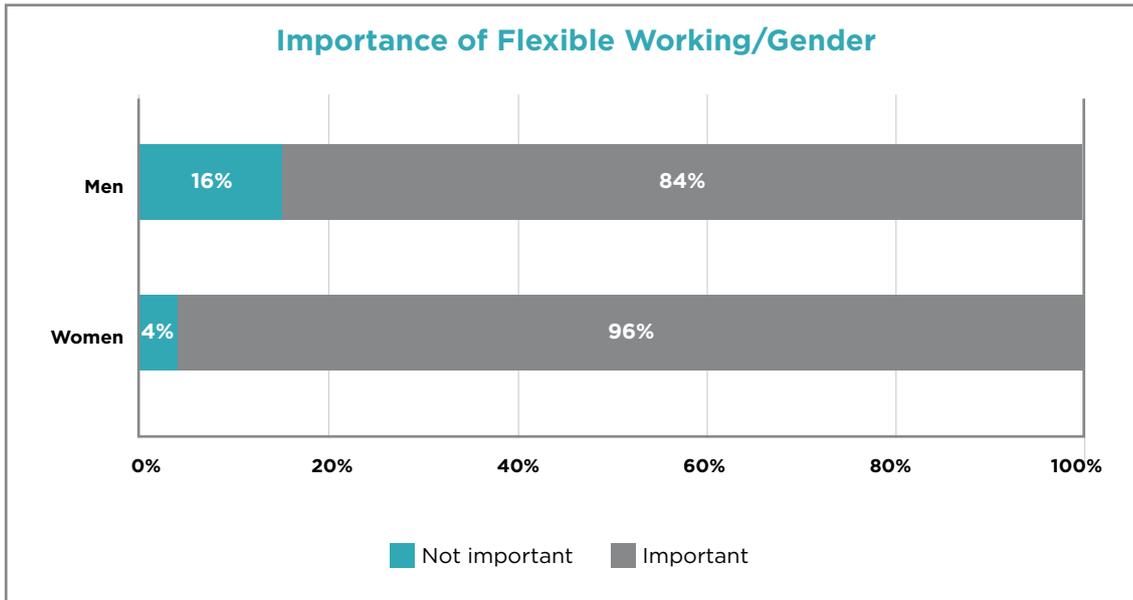
- **Technology** - *Advancements in technology have made flexible working more feasible across whole departments and most prominently at senior levels.*
- **The working day** - *Roles at this level are demanding in ways that require better time flexibility. It's not uncommon for Directors to be working outside the standard 9 to 5 to deal with hectic diaries of stakeholders and avoid the distractions of team management issues.*
- **Trust** - *Directors have earned their job title, often through long careers or through achievements in previous positions and it is therefore expected they have the adequate skills to deal with the responsibility and demands of the role in hand.*
- **Responsibility** - *Positions at this level tend to have greater focus on strategic leadership and less on the intricacies of accounting, which decreases the need for them to spend time working with systems and staff on site, and typically, a lot of work is being completed in the background.*

*Permanent employees have more flexible working options than temps. This may be due to the fact that temps are often brought in to achieve specific deliverables which require them to be in the office with the finance team. They also typically spend less time within an organisation in which to develop a level of trust.*

There is near **gender equality between the number of respondents who get the option for flexible working**; Female = 72%. Men = 68%.

Our research shows that a higher proportion of women than men work from home full time (3:1).

The graph below highlights how highly flexible working is regarded as a benefit by both men and women (temp/FTC and perm.)



### Summary

What stands out from our data is that although only 70% of respondents were offered flexible working, 92% of **permanent staff** saw this as an important benefit. With pensions and holiday both being almost equally important to respondents, what is apparent is that flexibility is something that would appeal to almost everyone looking for a permanent role.

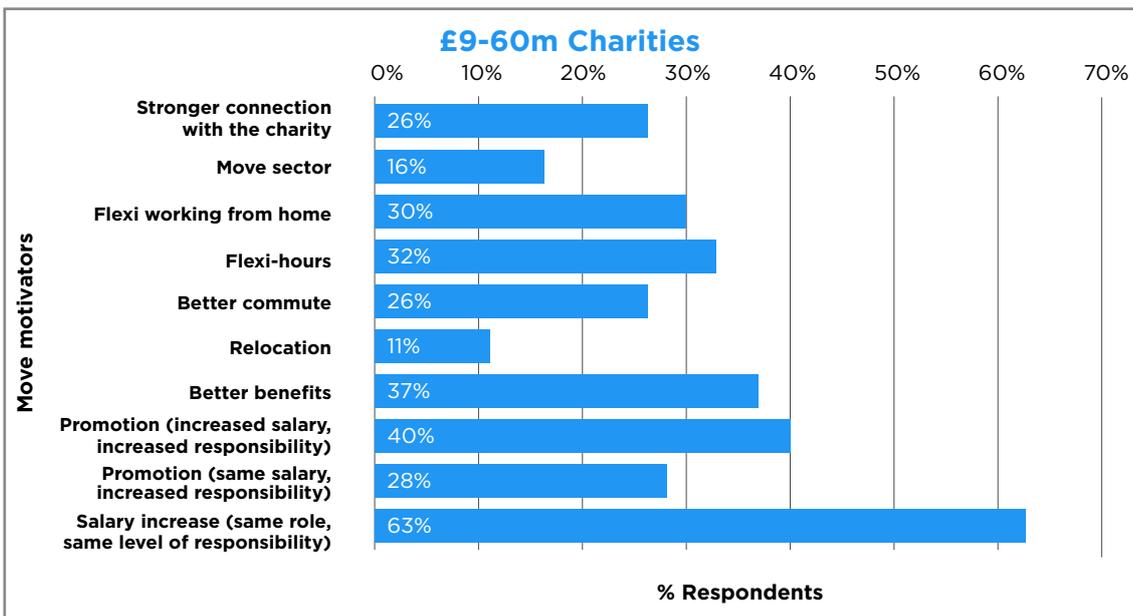
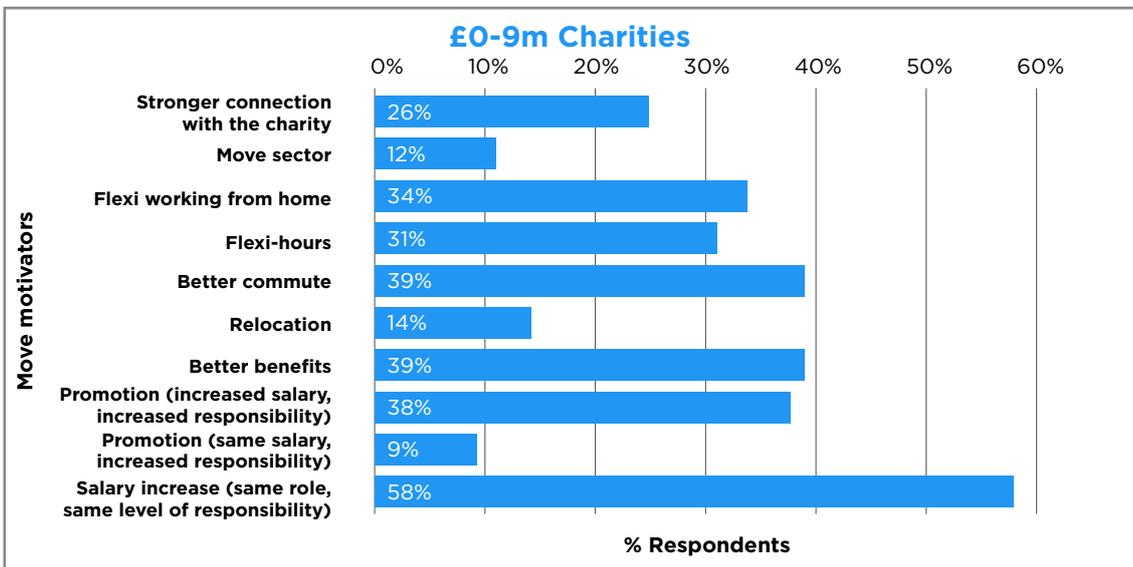
Our comments last year on the additional benefits of flexible working included:

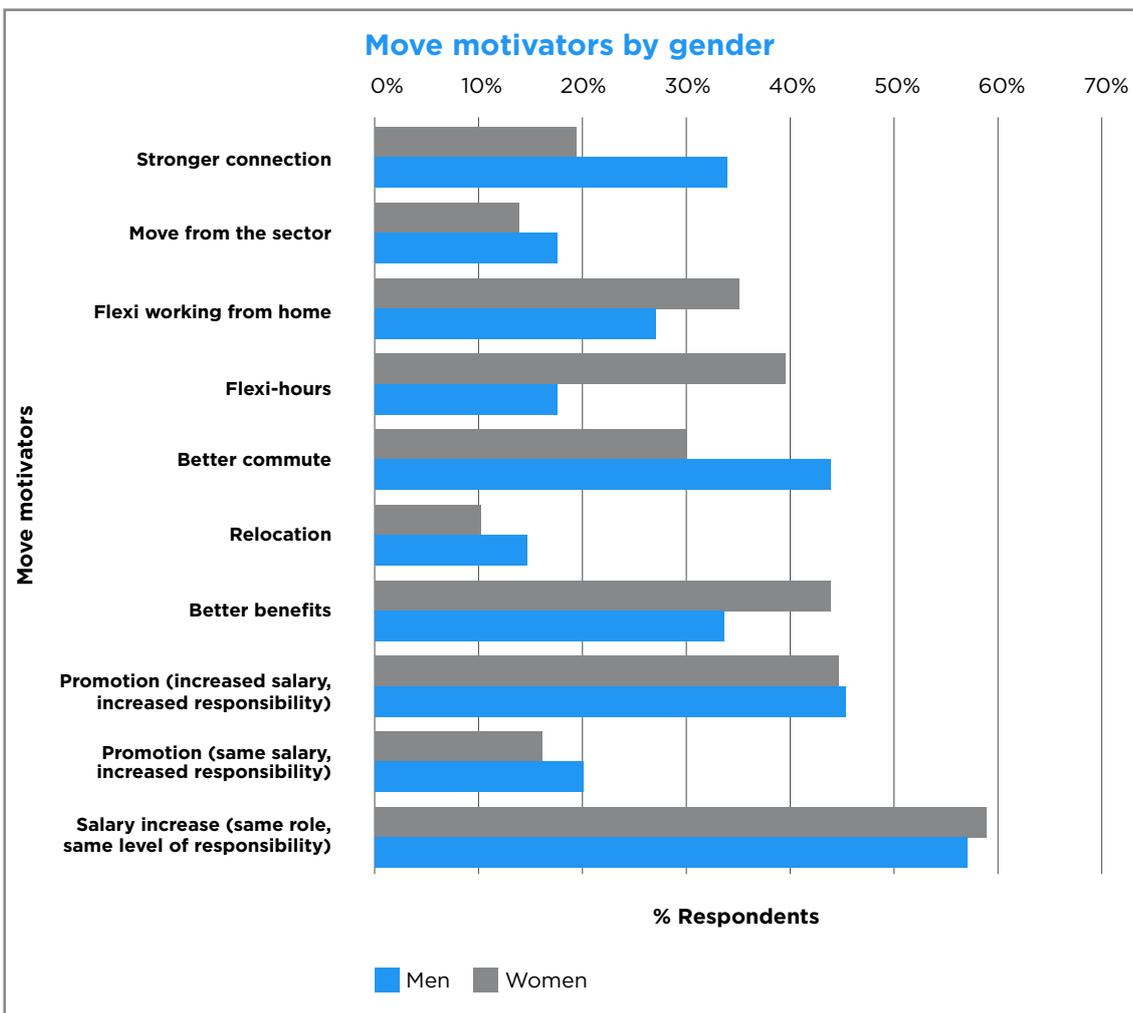
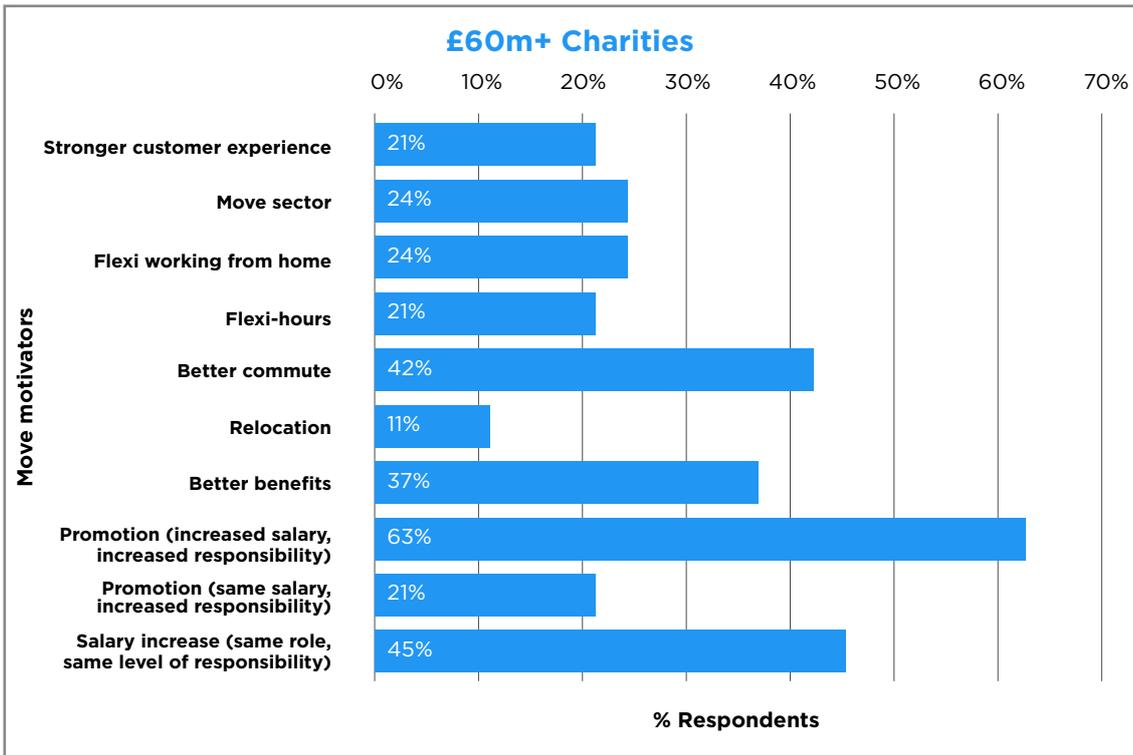
- **Widening the hiring pool** - flexible working means that candidates living further away are less likely to be put off applying (or less likely to be encouraged to leave) because of a new role with a shorter commute time.
- **Bringing down costs** - some organisations (including two of the biggest brand names in International Development) encourage one day from home as standard. This means that headcount in the office is lower, so a 'hot desking' system means that less office space is needed. This can either open up potential to rent out office space and generate unrestricted income, or cut down costs by taking a smaller space.

Although not feasible for all roles, flexibility on hours or working from home can significantly help with candidate attraction and retention.

# Move Motivators

Below shows how salary and promotion (increased responsibility and increased salary) are the primary move motivators.





**The sector remains highly mobile:**

- Our research indicated more movement within larger organisations.
- 44% of respondents have been in their role for under two years.
- 63% of respondents in mid-size charities (£9-£60m) are dissatisfied with their remuneration and are most actively looking to move for an increase in salary.
- 72% of Women compared to 64% of Men (permanent) are open to new opportunities or looking to move in the next six months.

**Summary**

In 2018 – 2019 our respondents from £60m+ charities experienced the greatest mobility of roles (26% have been in their role for one year or less). When we look at move motivators, respondents from large charities were significantly more likely to be encouraged to take a promotion with more responsibility and more money. 63% said that they would be open to a move of this kind, compared to 40% in the £0-£9m turnover charities, and 38% in the £9-£60m charities. This desire for a promotion suggests that in the larger charities, more people are actively trying to step up, anticipating the higher salary that comes with greater responsibility. When we combine the percentage of respondents looking for a promotion (with or without an increased salary), those from £60m+ charities come out significantly ahead; 84% looking for this compared to 68% in £9-£60m and 47% in <£9m. This possibly suggests that more people in smaller charities (compared to larger) may feel that they are not remunerated in line with their roles worth.

# Gender

## Pay gap

Our data shows women are still earning substantially less than men, although recent analysis of government gender pay gap (GPG) data shows the mean GPG for the 50 largest charities decreased from 18 per cent to 11 per cent, and the median pay gap decreased from 15 per cent to 7 per cent.<sup>7</sup>

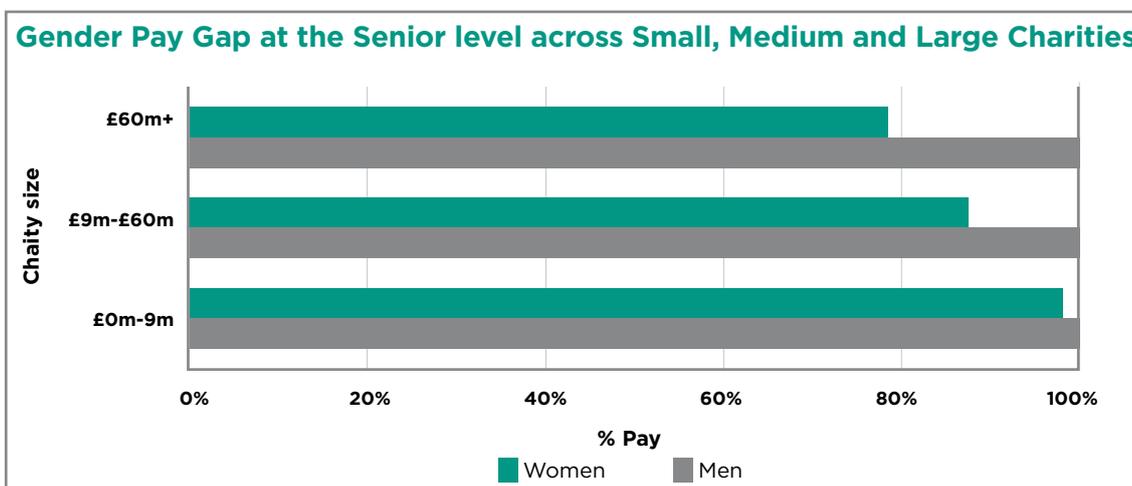
From the analysis of our data for finance teams, the median gap in finance is 8.2%, lower than the 50 largest charities as a whole, but our data shows that the mean GPG has widened to 10.8% from our GPG figure last year (9.7%).<sup>8</sup>

	GPG Median	GPG Mean
CHARITY FINANCE	8.2%	10.8%
CHARITY SECTOR	7%	11%

The charity sector is however, better positioned overall than both the private sector and the public sector where there is reported to be an 11% and 16.7% GPG in favour of men respectively.<sup>9</sup>

Our data shows signs that the pay gap is being addressed, albeit slowly; women’s salaries have increased more than men’s. The average increase for women was 4.08% compared to 2.4% for men.

Although more women are being appointed to senior positions in the larger charities, we can see from the chart below that there is still a sizeable GPG particularly at Director level in larger charities (22% pay gap between male and female Directors in £60m+ t/o charities).



<sup>7</sup> <https://www.civilsociety.co.uk/news/gender-pay-gap-in-largest-charities-decreases-by-7-per-cent.html>

<sup>8</sup> How the gender pay gap is reported: The gender pay gap is the difference between the average annual earnings of men and women. We have considered the median figure as well as the mean as one or two highly paid individuals can skew the data.

<sup>9</sup> <https://ig.ft.com/gender-pay-gap-UK-2019/>

## Gender Pay Gap across the different size charities

£0-£9m	9m-£60m	£60m+
1.67%	12.8%	17.83%

Helene Reardon Bond, GPG consultant and former Head of Policy at the Government Equalities Office, said “a big reduction in the gender pay gap of most organisations was unlikely, as it would take a few years for the trends to appear and for meaningful action and good practice to kick in.”<sup>10</sup>



*“What is particularly interesting about the Gender Pay reporting at the FD level, is that we would expect this to widen with the increasing representation of women at this level. The reason for this is that as FD salaries increase with longevity, the increasing number of women in FD roles (2019 saw 5% more women in FD positions than in 2018 for the smaller charities and 1% more women in FD roles in the larger charities) may suggest that the average salary for women would be lower. Despite there being a greater number of women in FD roles, a higher proportion of these, we assume, have been in post a shorter space of time at a lower*

*average salary range (due to the brevity in post rather than clear pay inequality).*

*This however should not have been the case in the medium sized charities, with 43% of women taking the top jobs as opposed to 53% last year. In this category, the GPG should have closed between men and women as women would, on balance, have been the more ‘long standing’.*

*Although this seems counterintuitive, better representation of women at a senior level may come, as the proportion of women increases, with an adverse effect on the GPG.”*

**Kate Marriott**

### 0-£9m Turnover

	Male	Female
SENIOR MANAGEMENT	46%	54%
MANAGEMENT	36%	64%
NON-MANAGEMENT	29%	71%

### £9m-£60m Turnover

	Male	Female
DIRECTOR	57%	43%
SENIOR QUALIFIED	42%	58%
QUALIFIED	54%	46%
OTHER	61%	39%

**£60m+ Turnover**

	Male	Female
DIRECTOR	67%	33%
SENIOR QUALIFIED	33%	67%
MANAGER	70%	30%
QUALIFIED	57%	43%
OTHER	50%	50%



*“Last year, we reported a male dominated interim market which was, at the time, a contrast to our own figures which showed a majority of 65% female contractors. Our own contractor data this year demonstrated more of a balance, with a 45% (Male) vs 55% (female) split. This however was completely at odds with the survey results, with almost double the number of men working in the interim markets across all levels.*

*What is particularly interesting, is the balance of men and women in interim senior positions.*

*Earlier, we reported that we had seen an increase in women taking senior positions in the smaller (£0-£9m) and large (£60m+) charities (page 20). What is interesting about our own contractor data, is that we see an exact 50/50 split at this Senior Management/Director end of the market. One reason for this might be that the interim market is more fluid than the permanent market and so is often where we see trends manifest earlier.”*

**Matt Millar**

# Ethnic Diversity and Inclusion

Diversity and Inclusion in the charity finance and wider charity sector has been under scrutiny this year and our results shed some light on the ethnicity pay gap and ethnic representation at different levels of seniority. With the majority of our respondents working in London, one of the most diverse cities in the world, we would expect our results to reflect this diversity, however campaigns such as #CharitySoWhite<sup>11</sup> have drawn attention on the fact that this may not be the case.

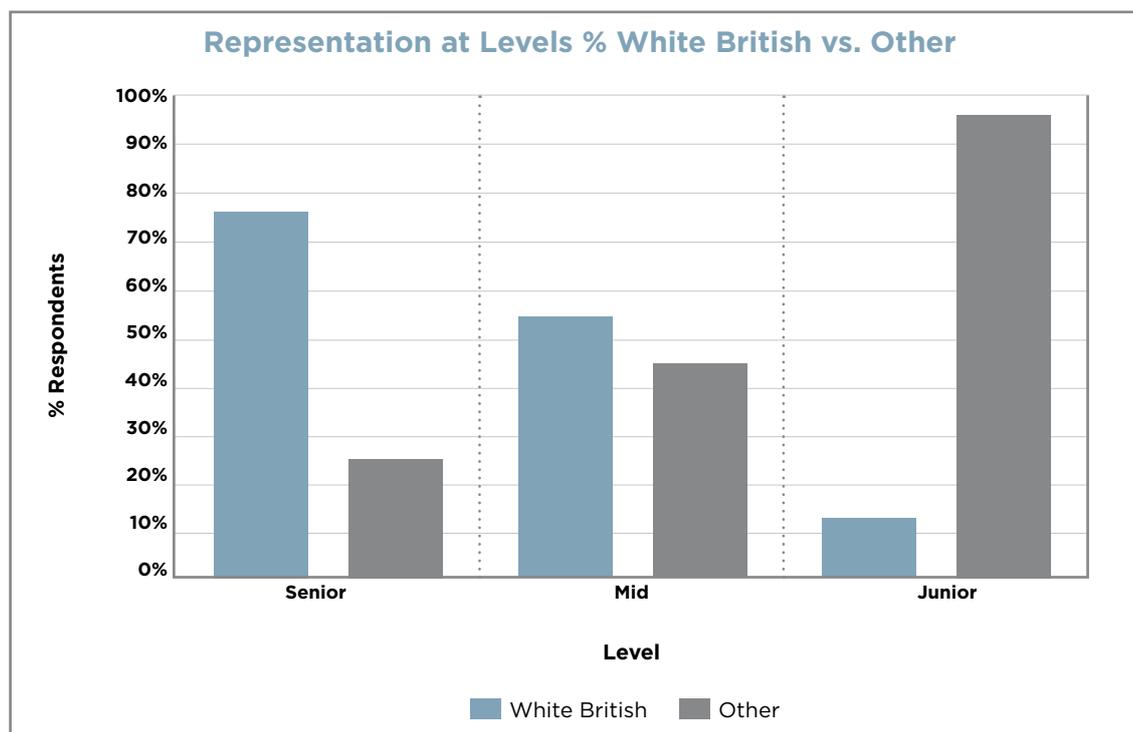
## Pay and Representation

The overall ethnic pay gap is high. Across all respondents at all levels, the (median) average salary for White British respondents was 18.29% higher than for other respondents. It is important to note that this figure was distorted by the concentration of White British respondents in Senior positions. The number of respondents for junior positions were overwhelmingly from non-White British backgrounds (14.29% White British) whilst a significant majority of Senior respondents were White British (75.8%). Given the higher salaries at the senior level, this undoubtedly distorts the overall pay gap figure.

When we broke down the data further however, we did identify a pay gap between White British and other respondents at each specific level, detailed in the tables below. This shows that at the same senior level, White British Respondents were paid an average (median) of 7.69% more than their counterparts who were not White British.

Level	Pay Gap in favour of White British Respondents (Median)	Pay Gap in favour of White British Respondents (Mean)
SENIOR	7.69%	6.08%
MID	9.28%	8.57%
JUNIOR	-1.78%	-0.64%

Although the overall ethnic pay gap is distorted, it raises further important questions about ethnic representation in senior positions. When we reviewed the data, White British respondents held over 75% of senior roles, over 50% of mid-level roles, but less than 15% of junior posts, further detailed below.



### Summary

What has been apparent is that Diversity and Inclusion strategies are a priority for many organisations this year. The Charity Commission itself has identified diversity and inclusion as essential to strengthen performance and impact, as well as being a matter of fairness and respect.<sup>12</sup> Policies such as 'Blind Recruitment' which enforce (gender/ethnically) balanced shortlists have been put in place by some to promote diversity where existing equal opportunity policies have not had a great enough impact.

The Charity sector has recently aligned their diversity and inclusion policy 2019-2023<sup>13</sup> to that of the civil service, a public sector employer who has made a conscious effort to address its diversity and inclusion issue. We should therefore begin to see a more even balance across the Charity Finance sector across all levels over the coming years.

# Looking Ahead

The UK has seen economic expansion over recent years and history would suggest that we might see a contraction soon. Whether this materialises in 2020 remains to be seen, and regardless of this, 2019 has seen some significant political changes which may impact the market.

The effect of Brexit on the charity sector is difficult to predict at this stage. A decrease in EU worker migration, coupled with skills shortages, may encourage increased recruitment and gaps may need to be plugged by contractors charging increasing rates. Instability may conversely slow movement, potentially making candidates more cautious about moving. The impact on charity funding from the EU remains to be quantified. Although HMRC have pledged to fulfil any funding lost, more limited funding may force charities to reduce operations or moderate ambitious growth plans, which again may affect hiring plans.

IR35 reform is due to hit the sector in 2020 and our experience from its introduction into the public sector in 2017 suggests that it may have a negative impact on contractors within charities. Contractors working through a PSC may look to increase rates to compensate for greater offsets in tax.

This would result in increased costs to charities, already under scrutiny for how money is spent, which may limit the number of contracting roles available.

IR35 reform may also drive interim candidates towards the permanent market, and uncertainty about job security might result in a slowdown in permanent movement. This could mean we start to see a shift in what has been a buoyant, candidate driven market. This may then have a knock-on effect on salaries, potentially resulting in an average salary increase of even less than 3.24%. The flip side of this is that although there may be less permanent movement, when organisations do recruit, attracting staff from other organisations could be an even bigger challenge, potentially leading to a head-hunting market. With candidates more nervous of change, benefits and remuneration packages will have to be sufficiently attractive to encourage movement.

As of the time of writing (October 2019), we cannot predict what the charity landscape will look like this time next year. There are multiple factors that may drive and restrict movement and shape salary changes over the next 12 months, but we look forward to working with our partners as they navigate the changes to come.

# Notes

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This survey has been compiled using data from a survey presented to over 1000 participants, analysis of our database and the knowledge of our in-house experts. This takes into consideration the specifics of a vacancy, the size of the organisation and team, the local economy, and a competitor analysis. This is undertaken independently by our specialist consultants and will help you benchmark an existing or new role.

The Robertson Bell charity finance recruitment team is lead by Matt Millar (permanent) and Harry Peasnell (temporary). The team continues to grow and go from strength to strength. We recruit across all levels, from junior up to and including Director level. Contact Matt, Harry or Kate on **0203 824 7100**, or via email at **[mattmillar@robertsonbell.co.uk](mailto:mattmillar@robertsonbell.co.uk)** **[harrypeasnell@robertsonbell.co.uk](mailto:harrypeasnell@robertsonbell.co.uk)** or **[katemarriott@robertsonbell.co.uk](mailto:katemarriott@robertsonbell.co.uk)** if you would like to discuss the survey, request benchmarking, or if we can help you with any of your recruitment needs.

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