



FOCUS

INSOLVENCY GROUP

NEWSLETTER

Gender pay gap for accountants widens



The gender pay gap for ICAEW accountants working in business has widened with women over 45 seeing the biggest drop in salaries from last year according to the latest salary survey from the institute and Stott & May.

While the gender pay gap is at a historic low at 9.4%, according to the Office for National Statistics, the pay gap is widening among ICAEW Chartered Accountants working in business.

According to the ICAEW, male accountants working in business earn on average a salary of £100,900 compared to their female counterparts who earn an average of £63,900. This gap has increased significantly by 5.4% since 2014. Women over the age of 45 saw their salaries fall last year by £6,500 despite men in the same age group increasing theirs by £4,200.

The narrowest pay gap appears among chartered accountants under the age of 30 who also enjoyed a light pay rise from last year.

The institute has discovered that the gender pay gap remains partly due to demographics and working situations. Men are more likely to work in senior roles, the private sector and in regions that typically pay higher salaries whereas women are more likely to work part-time and in public or not-for-profit organisations in which salaries are typically lower.

ICAEW commercial executive director Sharon Gunn said, "We need to face the hard truth that there has been desperately slow progress to correct the gender pay gap, given the Equal Pay Act was introduced 45 years ago. While it's a national trend across all professions, we have a gender pay gap problem in accountancy too."

"With men more likely to hold more senior positions and chartered accountancy being a route into leading businesses, we must look again at how businesses are developing their pipeline of female leaders."

She added: "To help achieve equality, companies must ensure they offer a working culture that supports career growth for women and men, and this means being more flexible to new ways of working."

"Companies must consider childcare responsibilities, which disproportionately affects women, and how they can support all employees with work-life balance. To attract the best talent, organisations need to offer equal pay from the outset, and have a system in place where women can flourish and grow professionally. We must resolve the gender pay imbalance."

Cont...

The Latest UK Personal Debt Statistics

- £2.91 is the average daily spend per household on gas, electricity, and water
- 4.37% is the proportion of average salary someone in the UK can expect to spend on interest
- The average total debt per household including mortgages was £55,083 in February
- Every 5 minutes and 55 seconds someone is declared insolvent or bankrupt
- 1,765 Consumer County Court Judgements (CCJs) are issued every day, with an average value of £2,527
- 1,239 people a day reported they had become redundant between November and January
- £6,332 was the average consumer credit debt per household in February 2015
- The estimated average outstanding mortgage for the 11.1m households with mortgage debt was £117,534 in February

Stats from The Money Charity

Overall, average salaries for ICAEW chartered accountants in business have remained fairly static over the past four years in keeping with sluggish global wage growth. This year however international salaries fell as a result of a turbulent global economy and exchange rates.

The ICAEW are urging company directors to review how they measure diversity and inclusion in help correct the gender pay gap in accountancy.

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- **Experienced and qualified board of directors who care passionately about what we do and how we do it**
- **Focus Business Club – regular corporate events, newsletters, updates and blogs**

New rules are to be introduced in 12 months' time which means organisations with more than 250 employees will have to report gender pay differences annually or face a fine.

UK hiring optimistic as intentions reach new highs



Optimism levels in UK firms are on the increase and their intentions to hire are 'sky high' according to accountancy firm BDO.

BDO's Employment index reached 113.0 in March, almost 9 points higher than this time last year. A score above 100 indicates growth and suggests further job creation in the coming months. The accountancy firm's Business Trends Report also indicated that the intention to hire new staff was greater than the levels seen in the mid 2000's.

According to the Office for National Statistics UK unemployment fell to 1.86million in the three months to January 2015 leaving the unemployment rate at 5.7%.

The report however adds that stagnant productivity is a major concern for the UK economy. It says that the output per hour by British workers has been static for two years, stating "such a long period of flat productivity is unprecedented in the period since World War II and the trend is unique amongst advanced economies".

Peter Hemington, a partner at BDO, called on the winners of the general election to address the flat productivity. He said: "While it is encouraging to see strong business confidence, the UK's continuing poor labour productivity performance is a very significant concern.

"Although employment growth in recent years has been strong, much of this has been in part-time jobs. Productivity ultimately determines our prosperity so it is a crucial area that must be addressed. Policymakers of all persuasion must take on this productivity puzzle".

Contact Focus Insolvency Group

If any of your clients need advice, please feel free to contact us on 01257 257030 or email a.fisher@focusinsolvencygroup.co.uk

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