

Gender pay  
gap report  
2022

# Foreword

The Economist Group is committed to championing and fostering diversity, equity and inclusion. Tracking our gender pay gap and analysing the impact of our talent acquisition and career progression practices, reward policies and attrition plays an important role in achieving this.

The gender pay gap compares the average pay of women and men across the organisation, irrespective of their role. This is different to equal pay, which looks at the average pay of women and men for the same (or similar) work.

In our sixth year of reporting, based on a snapshot date of April 5th 2022, our UK data shows an improvement at the median (from 22.4% to 20.4%) but a deterioration at the mean (from 18.7% to 21%). This calculation includes variable pay such as bonuses and commissions.

With variable pay excluded, our fixed pay gap has shrunk by 3 percentage points at the mean (from 21% to 18%) and 5 percentage points at the median (from 23% to 18%). This improvement was reflected at the global level too, with our mean global fixed pay gap improving from 19% in 2021 to 16% in 2022.

Our focus in this area has led to a reduction in fixed pay gap each year since the start of the mandatory reporting. And while it is now half what it was in 2017, when we started our reporting, we will continue our efforts until the gender pay gap no longer exists.

We are proactive in setting clear goals to increase equity in opportunities, and we review recruitment gender and ethnicity data on a monthly basis.

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**Lara Boro**  
Chief Executive  
March 2023

## Introduction

The gender pay gap is calculated by comparing the average pay between women and men across the organisation, irrespective of their role. This highlights whether organisations have an uneven distribution of women and men across their compensation levels. This is different to equal pay, which looks at the average pay of women and men for the same (or similar) work.

For this gender pay gap reporting, gender must be reported in a binary way, recognising only men and women. The data used for this report is from our colleagues' records and we acknowledge it won't have an accurate record of gender for many trans and non-binary people or other identities.

# 1. The UK gender pay gap

(as per UK government reporting guidelines)

On the snapshot date of April 5th 2022, the Group employed 846 colleagues in the UK (451 women and 395 men), mainly in London and Birmingham, including editorial colleagues, marketing, research, sales, technology, consultancy, head office and support functions.

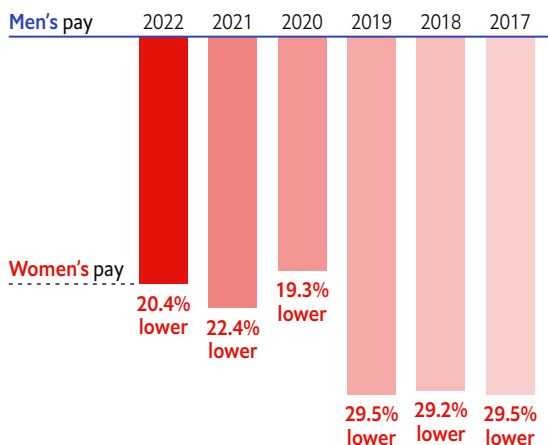
Our median gender pay gap has reduced by 2 points. It is calculated by ranking all women in the organisation from the lowest salary to the highest, doing the same for men, and comparing the salary of the woman in the middle with the salary of the man in the middle.

Our mean gender pay gap has increased by 2.3 points. It is calculated by adding the pay rates that all women received and dividing it by the number of women, doing the same for men, and looking at the difference between them.

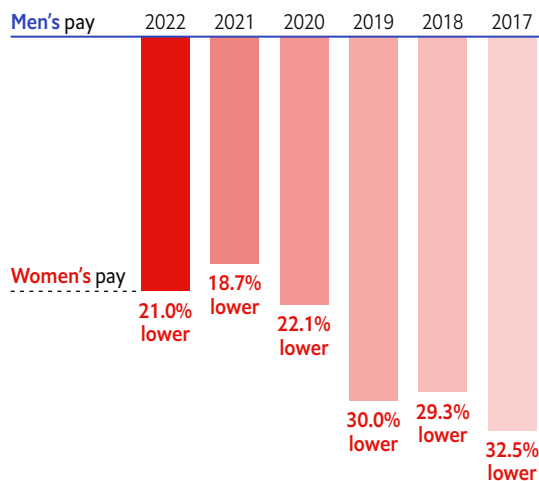
## Gender pay gap

Women's hourly pay rate\* vs men's

### Median



### Mean



\*The hourly rate for UK government reporting purposes includes salary, allowances and variable pay paid in April  
Source: The Economist Group

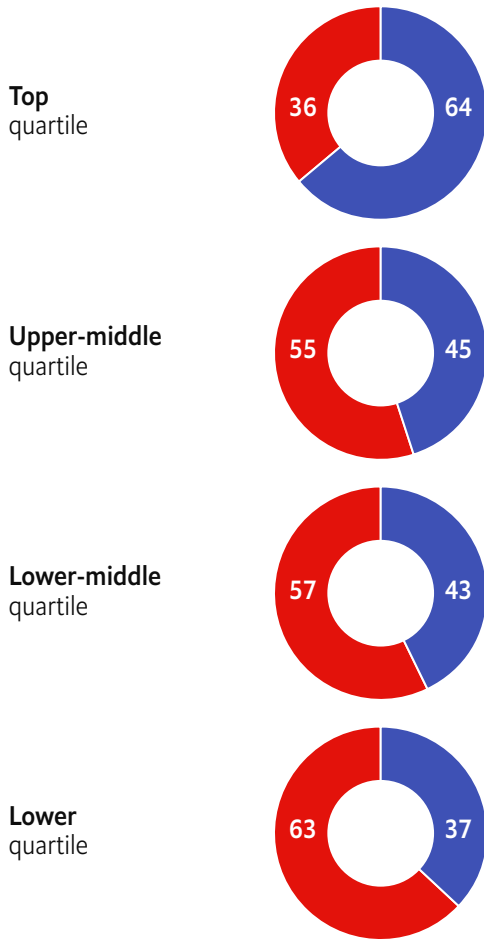
Having a similar mean and median for our gender pay gap suggests that our data is not skewed by extreme values, meaning we don't have a small group of either men or women who are extremely high or low earners.

## Pay quartiles

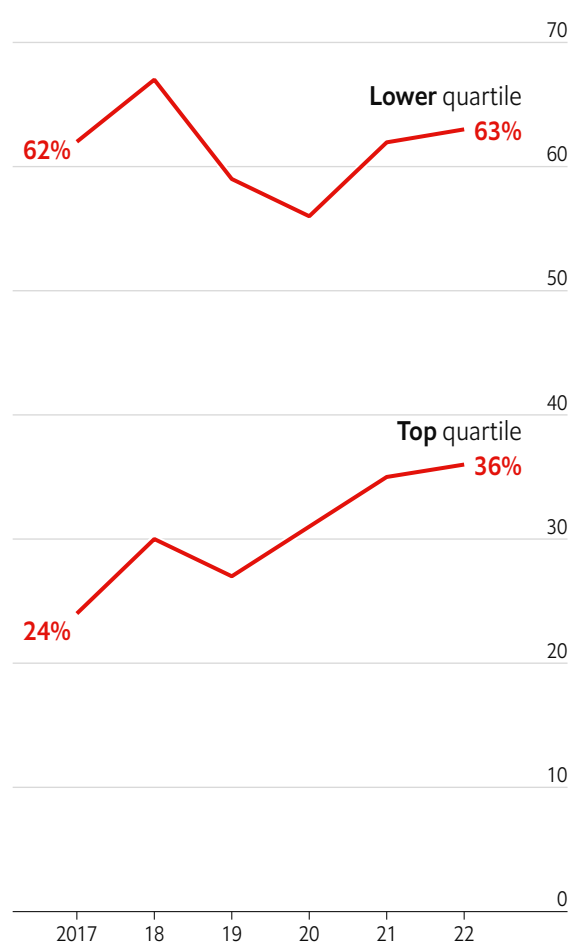
Pay quartiles are calculated by ranking all women and men in the organisation from the lowest salary to the highest, dividing them into four equal groups, and looking at the ratio of both genders across each of those groups.

Our lower and top quartiles have stayed relatively stable whereas the proportion of women has increased in the lower-middle and upper-middle quartiles.

Proportion of **women** and **men** in each pay quartile\*, 2022, %



Proportion of **women** in the top and lower pay quartiles\* over time, %



\*Based on hourly pay rates in April  
Source: The Economist Group

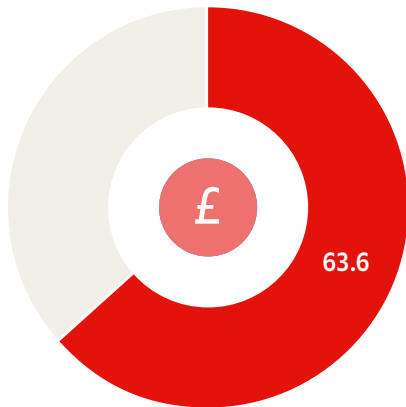
When we look at the distribution of women and men across each hourly pay rate (taken individually instead of grouped in quartiles), it shows that we have a higher proportion of women clustered at the lower end of the distribution whereas men are more evenly spread out.

1. The UK gender pay gap (as per UK government reporting guidelines)

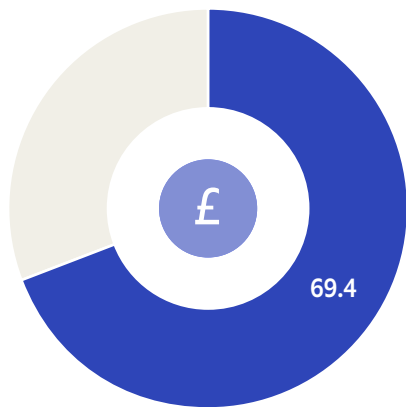
## Bonus pay

Proportion of **women** and **men** who received bonus pay\*, 2022, %

### Women



### Men



\*Based on bonus received during the 2021/22 tax year

†The bonus gap calculation excludes colleagues who did not receive a bonus payment at all during the 2021/22 tax year

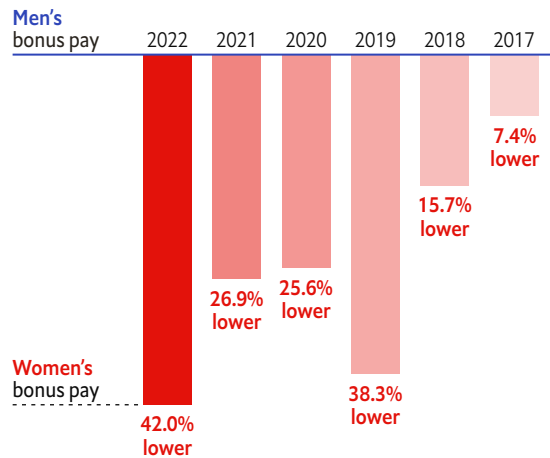
Source: The Economist Group

The proportion of women and men receiving a bonus this year is much higher than in previous years. This is because this financial year we adjusted our bonus plan to bring greater alignment and equity in bonuses across the Group. As part of this, all colleagues are now entitled to either the Company bonus or a commission plan with an opportunity to influence their reward through outstanding personal performance.

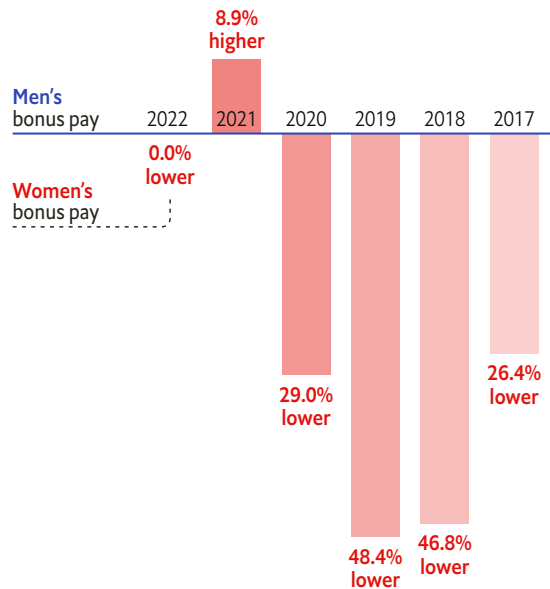
## Bonus gap

Women bonus pay† vs men's

### Median



### Mean



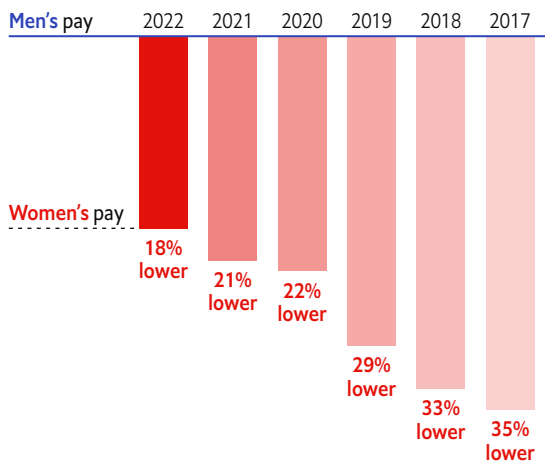
Our mean and median bonus pay gaps vary greatly because our top positions of CEO and editor-in-chief are held by women. Those two positions are the highest earners in terms of shares and dividends, which is reflected in the mean bonus gap but not in the median bonus gap.

## Understanding the underlying data

### Gender pay gap in ordinary pay\*

Women's pay vs men's

Mean



\*The ordinary pay gap as defined for UK government reporting purposes includes salary and allowances but excludes variable pay, which is different to the hourly pay rate used for the gender pay gap calculation

Source: The Economist Group

The gender pay gap figures include variable pay such as bonuses and commissions paid in April. If variable pay were excluded, our ordinary pay gap (which includes salary and fixed allowances only) shows improvement by 3 percentage points at the mean (from 21% to 18%) and 5 percentage points at the median (from 23% to 18%).

This mean fixed pay gap has reduced year after year since the start of the mandatory reporting and is half what it was in 2017.

## 1. The UK gender pay gap (as per UK government reporting guidelines)

### Talent acquisition and attrition

Our headcount has grown between April 2021 and April 2022 as we recruited 1.7 times the number of colleagues that we lost over that same time period. Looking at the gender pay gap\* for our joiners and leavers between those 2 dates shows that our talent acquisition and attrition have contributed to closing our gender pay gap:

#### Gender pay gap\*

	Mean	Median
Leavers	15%	32%
Joiners	13%	13%

\*Based on hourly pay rates in April

When we analyse our talent acquisition and attrition data by gender and by quartile, the striking difference is for the upper-middle quartile, where we recruited four times the number of women that we lost. This is both because of fewer women leaving and more women recruited. The proportion of women recruited in that quartile was at 62% (compared to an average of 44% over the previous four years). This explains why the proportion of women in that quartile has increased from 47% to 55%. The ratio change in that upper-middle quartile is one of the driving factors in closing our gender pay gap this year.

### The top quartile gender ratio

Women represented 43% of our hires in the top quartile this year, which is comparable to the average of the previous two years and twice what the percentage was when we started reporting. However, the overall proportion of women in that quartile has only increased from 35% to 36% because of the impact of variable pay, which has brought twice as many men than women from a lower pay quartile to that top quartile.

In addition, there has been an unusually high number of women excluded from the quartile calculation this year due to being on parental leave in April and not being considered 'relevant' for the gender pay gap calculation as per the government guidelines. If these women were included in the calculation, the proportion of women in the top quartile would have increased this year from 35% to 38%.

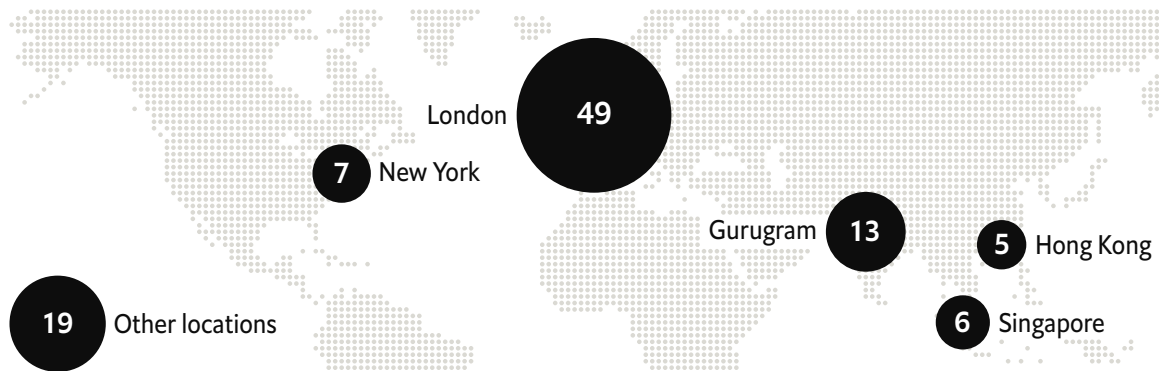


## 2. Global employment and salary patterns

We go over and above our statutory requirements by publicly reporting our data at a global level. The following section compares the earnings of our female and male colleagues across our Group, irrespective of their role, wherever they are based.

### Main locations

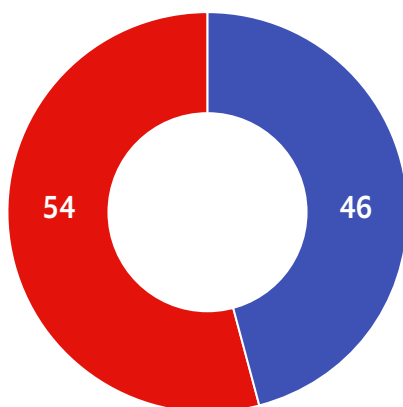
Employment distribution across The Economist Group, 2022, %



Source: The Economist Group

### Global gender balance

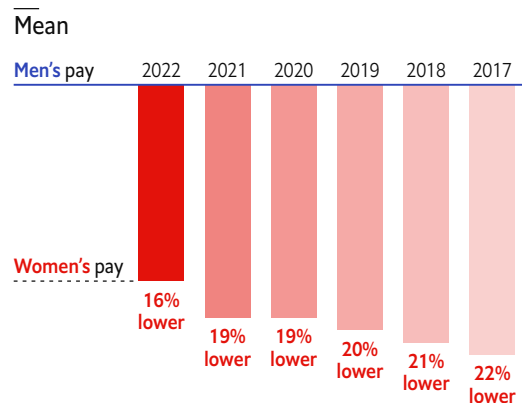
Women and men employment distribution across The Economist Group, 2022, %



Source: The Economist Group

### Global fixed gender pay gap

Women's earnings\* vs men's

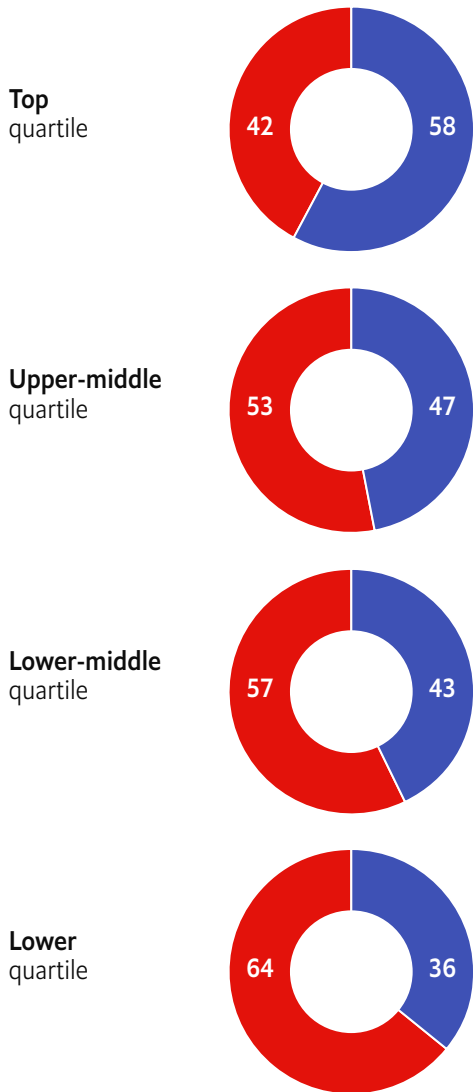


\*Based on annual base salaries, adjusted for purchasing power parity-PPP

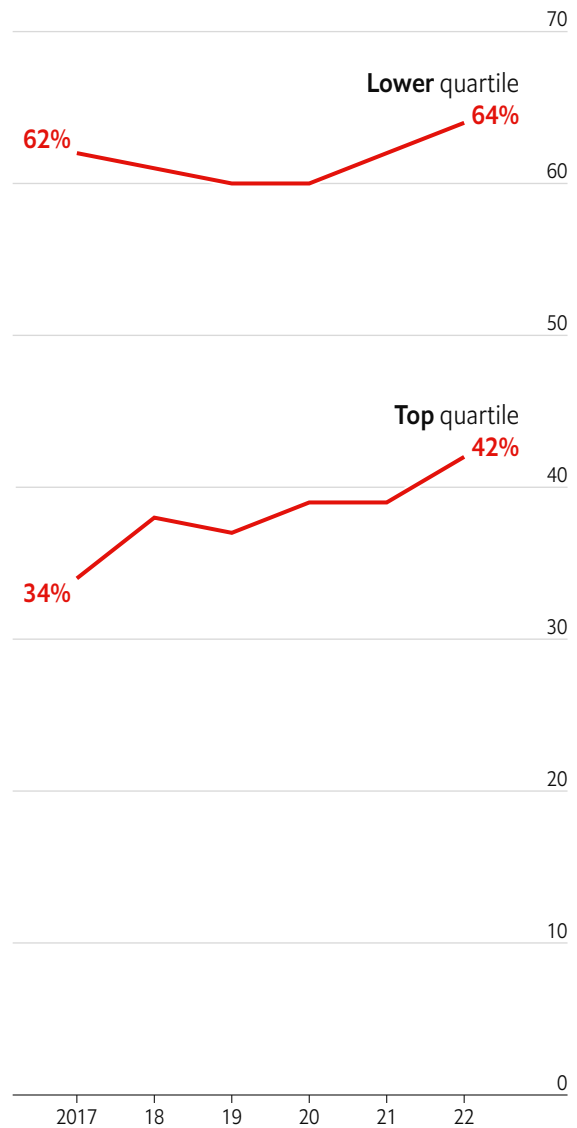
Source: The Economist Group

## Global salary distribution

Employment distribution across each salary quartile\* for **women** and **men**, 2022, %



Proportion of **women** in the top and lower salary quartiles\* over time, %



\*Based on annual base salaries, PPP-adjusted  
Source: The Economist Group

### 3. Actions taken to improve diversity and inclusion globally

This section refers to the actions taken within The Economist Group with the goal of improving diversity and inclusion. Many of the actions and partnerships listed below were suggestions from the Diversity Taskforce, our affinity networks or from colleague discussion with their managers. *The Economist's* editorial team has taken independent actions appropriate for the newsroom, such as intensifying the search for talent from a wider range of backgrounds.

#### Career development

Ensuring that all colleagues get equal chances to develop and advance their careers continues to be a focus. We have made strong progress in this area over the past year with the launch of a learning experience platform. Additionally, our career frameworks, job families and career paths are now available to colleagues. As part of this, the vast majority of roles within the Group have defined job families and clear career paths along with information on the skills and capabilities required. We have also adapted our performance reviews to be more focused on growth and career path. We built our career path frameworks with a lens towards diversity to help in advancement opportunities, supporting more women and minorities to reach senior levels.

#### Reward

As a Group, we aim to have a colleague reward approach that is fair and equitable, delivers competitive salaries and bonuses, reflects the performance of the Group and recognises individual excellence and colleagues' contribution to the business. We have created and implemented internal processes to drive consistency and fairness in reward across the business. This also provides a basis for us to benchmark salaries against similar roles within similar, external organisations. To support our benchmarking we have invested in external salary data, which was a key component of our annual salary review process. We regularly monitor pay levels internally to ensure they are free from bias or discrimination. To improve the transparency of reward, we have committed to supporting managers so they can discuss reward and decisions regarding performance.

#### Managers' bonuses

Last year, the Leadership Team members, as well as their direct reports, had diversity targets as part of their individual bonus objectives. This target has been extended to people managers across the organisation.

#### Affinity groups

We continue to build momentum with our current affinity groups. We have also added two new Affinity Groups: Voices, to support colleagues across India on DEI related issues, strategy and initiatives, and DisAbility Network, to support colleagues with visible and invisible disabilities challenges.

#### Training programmes

Inclusive Leadership and Managing Diversity sessions were both delivered this year and there will be several additional events and learning sessions launching soon. Our hiring managers are also provided with tools and training to ensure a fair recruitment process.

#### Talent acquisition

We've enhanced our D&I talent acquisition efforts to ensure that roles are marketed and accessible to candidates from diverse backgrounds. Our job descriptions are written with inclusive language, which doesn't exclude or deter certain groups from applying. We target under-represented groups through marketing to targeted professional networks. Additionally, each role requires a diverse slate of candidates to be considered—reflecting on the workforce diversity of each region.

### 3. Actions taken to improve diversity and inclusion globally

#### Partnerships

After having run several successful Code First Girl partnerships in the UK, in April we launched a 'web development coding kickstarter' led by two of our talented colleagues in India. The course was incredibly successful with a 97% satisfaction rate and positive feedback.

#### Flexible working

Flexible working is key to enable women to remain in work as caring responsibilities generally tend to be shared unequally. In addition to our hybrid working, with two days a week in the office, colleagues are able to work from anywhere for up to five weeks a year. In August 2022, colleagues across the Group had Fridays off.

#### Colleague feedback

Our engagement survey allows us to compare results by gender and ethnicity and D&I specific questions have been introduced. The survey has demonstrated that our strategy surrounding D&I is seen by colleagues as improving although more needs to be done.

#### Tracking progress

We are proactive in setting clear goals to increase equity in opportunities. We provide quarterly reports to our business leaders with data on the gender pay gap, as well as on ethnicity and gender, to enable them to effectively evolve our inclusion strategy.

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I confirm our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



**Lauren Wartho**

Interim Chief Talent Officer

March 2023

