

Female bankers say they are paid less than men in the same jobs

Survey casts doubt on claims the sector's yawning pay gap is due to a lack of women in senior roles

BY PAUL CLARKE. JUNE 6, 2019 UPDATED: JUNE 7, 2019 7:43 A.M. GMT

More than two-thirds of female investment bankers believe they are not paid as much as their male peers for doing the same job – casting doubt on executives' regular insistence that the sector's yawning gender pay gap is largely due to a lack of women in senior roles.

Investment banks are under pressure to bolster the number of women in their senior ranks, but a survey of 430 female professionals by Emolument, the pay benchmarking website, and Wessex Partners, the executive search firm, shows women receive less than their male colleagues in the same role.

Sixty-six per cent of respondents working in investment banking said they earn less than their male colleagues in the same position.

Brenda Trenowden, chair of The 30% Club, the diversity campaign group, said unequal pay in investment banking often comes down to bonuses.

“Male managers often give the best, most lucrative clients to other men, which results in bigger bonuses,” she said. “Banks may feel that they are justifiably paying these male employees more, but there was bias in the client allocation.”

“We also find that when women go off on maternity leave – often for very short periods of time – their clients have been given away, and they don't get them back,” she added.

Financial services organisations in the City have revealed large pay gaps between men and women, despite many of them signing up to the UK Treasury's Women in Finance Charter, which was launched in 2016.

Many have pinned this on a lack of women in management roles, rather than unfair pay practices. Women comprise just 25% of senior positions in investment banking, according to a Treasury-commissioned report by think-tank New Financial

in March – the lowest proportion of any sector.

However, Emolument's figures show there is work to be done in closing the gender pay gap. This is at odds with public statements from large banks, which claim to pay men and women equally for the same position.

In its 2018 gender pay gap report, Barclays said it was “confident that men and women at Barclays are paid the same for doing the same job”.

In a memo to staff announcing its 2018-19 gender pay gap report, Goldman Sachs International chief executive Richard Gnodde said: “While I am confident in the fairness of our compensation system, there is much more that we need to do to ensure that we have a diversity of talent at all levels at our firm.”

Women at Goldman Sachs International were paid 35.5% less than men on a median basis last year and earned a bonus that was 68.9% lower than the median man's. At JPMorgan, the median pay gap was 25.7%, with bonuses 41.2% lower.

Banks have focused on promoting more women into senior ranks. JPMorgan named a record number of female managing directors in its annual promotion round this year, while Goldman Sachs unveiled a programme in March aimed at ensuring at least 50% of its new recruits were women.

Goldman said it would look at the “extent of their efforts” on ensuring the success of the new scheme when calculating annual bonus payments for managers, as well as their attempts to promote more women into managing director positions.

Other financial sectors also fared badly in Emolument's survey. Within asset management, 65% of respondents said they were not paid in line with their male peers for doing the same job, while 60% of those in broking said the same.