

Changing the world  
with **women and girls**  
**act:onaid**

# ETHNICITY PAY GAP REPORT 2023





# TO OUR VALUED COLLEAGUES AND THE WIDER COMMUNITY...



As we release our 2023 diversity pay gap reports, encompassing gender, ethnicity, and disability, it is with a sense of pride and a commitment to ongoing progress that we reflect on our journey. At ActionAid UK, our dedication to fostering an inclusive and equitable workplace is at the heart of everything we do. Our recent findings demonstrate that, compared to our benchmarks, we are performing positively. However, we are acutely aware that our work in this arena is far from over.

These reports are not just an exercise in compliance or transparency; they are a reflection of our unwavering commitment to equality. We recognise that despite our progress, there remain disparities in our data that need our attention. To that end, we are not just committed to mitigating any variances in pay across key demographics but are also devoted to enhancing the quality and scope of our reporting.

In our pursuit of a more inclusive future, we will be reviewing our current reporting parameters and exploring new ones, to better our understanding of the multi-dimensional nature of our workforce and ensuring that every individual feels valued and represented.

Our journey towards diversity and inclusion is ongoing, and we embrace the challenges and opportunities it presents. By continually assessing and addressing pay disparities, we are not just advocating for fairness but are actively shaping an organisational culture that is reflective of the diverse world we live in.

As we share these reports, we invite our colleagues and the public to join us in this critical conversation. Let us work together to build a more equitable, just, and inclusive society.

With sincere commitment,

Shade Odupelu  
Co-CEO

**ActionAid UK**





ActionAid staff at Latitude festival in 2022.  
(Photo credit - ActionAid)

## INTRODUCTION

In 2017, the Government legislated that organisations meeting certain criteria were obliged to publish *gender* pay gap data. Whilst legislation does not mandate it, in recent years ActionAid UK has also conducted annual ethnicity pay gap reviews, as part of its ongoing commitment to achieving equality and fairness. Typically, this annual report replicates the core measures found in the gender pay gap reporting guidance.

ActionAid UK has partnered with an external partner, ImaginativeHR, to publish this report.

This report summarises ActionAid UK's 2023 ethnicity pay gap, with a year on year comparison with 2022 and 2021. It highlights the progress made, where there may still be room for improvement, and how as a modern and conscientious organisation, ActionAid UK can address noted pay gaps.

This report also considers other benchmarking data where relevant data has been published by a reliable source, such as the UK Government or ONS website.

## TERMINOLOGY

Please note that where this report makes reference to POC (people of colour), this includes all individuals who have self-identified as any of the prescribed ethnicities on ActionAid's MyHR system, other than White (British), White (Irish) or White (European non-British).



# WHAT IS AN ETHNICITY PAY GAP?

An ethnicity pay gap refers to the disparity in average earnings between different ethnic or racial groups within a particular society or workforce. Specifically, the ethnicity pay gap highlights the differences in income earned by individuals belonging to various ethnic backgrounds. It is often used as an indicator of potential inequities and discrimination that may exist within a organisation or given population, though it must also be acknowledged that it should not be assumed that any disparities are necessarily a result of any discrimination.

The concept is similar to the gender pay gap, which focuses on the differences in average earnings between men and women. The ethnicity pay gap, however, takes into account the impact of racial or ethnic background on earnings, highlighting the intersection of economic inequality and social identity.

This report acknowledges the following guidance:

- Ethnicity Pay Reporting: Guidance of Employers (Gov, May 2023)
- Ethnicity Pay Reporting: A Guide for UK Employers (CIPD, Feb 2023)

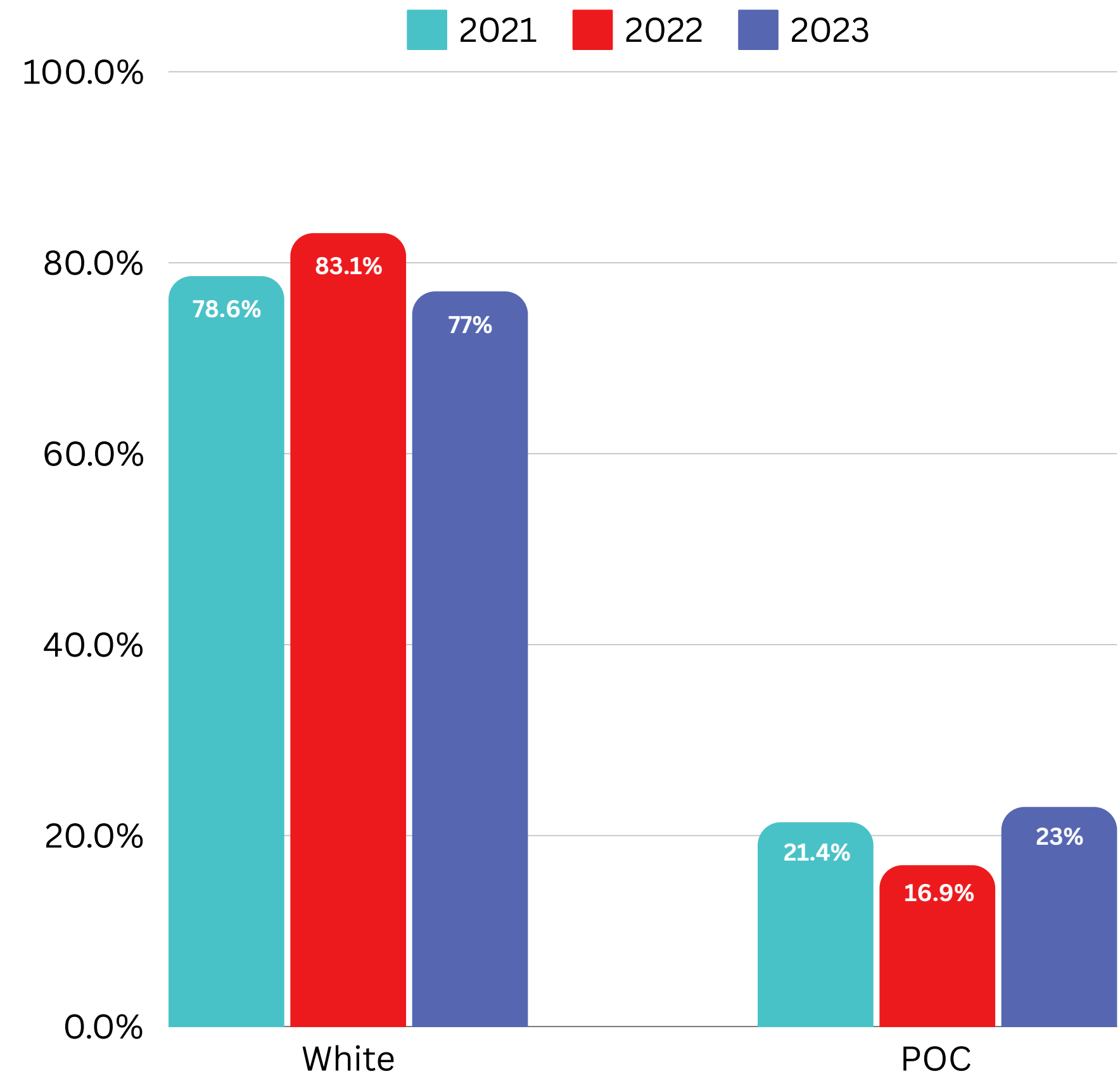
Gov Guidance

CIPD Guidance

Milicent was supported by ActionAid after enduring years of violent abuse by her husband. She was given temporary accommodation, emotional support and legal aid to ensure her husband was put in prison. (Photo credit - Karin Schermbrucker/ActionAid)



# OUR ETHNIC REPRESENTATION



FACT

2021 Census data indicates that 82% of the UK population identify as white, with 18% identifying from POC ethnicities.

AS OF APRIL 5TH 2023, THERE WERE 47 COLLEAGUES WHO IDENTIFIED AS PEOPLE OF COLOUR AND 157 COLLEAGUES WHO IDENTIFIED AS WHITE (BRITISH OR OTHERWISE). OF ALL 210 COLLEAGUES, 6 (2.68%) DID NOT DISCLOSE THEIR ETHNICITY.

Alongside a marginal increase in overall team size, the organisation has made a significant shift in POC representation, showing a 42.4% increase from 2022 to 2023 (compared to a growth in white representation of 3.2%). These developments reflect ActionAid UK's ongoing commitment to creating a workplace that embraces different perspectives and backgrounds and this reflects the organisation's continued dedication to furthering efforts to nurture a more inclusive environment, now and in the future.



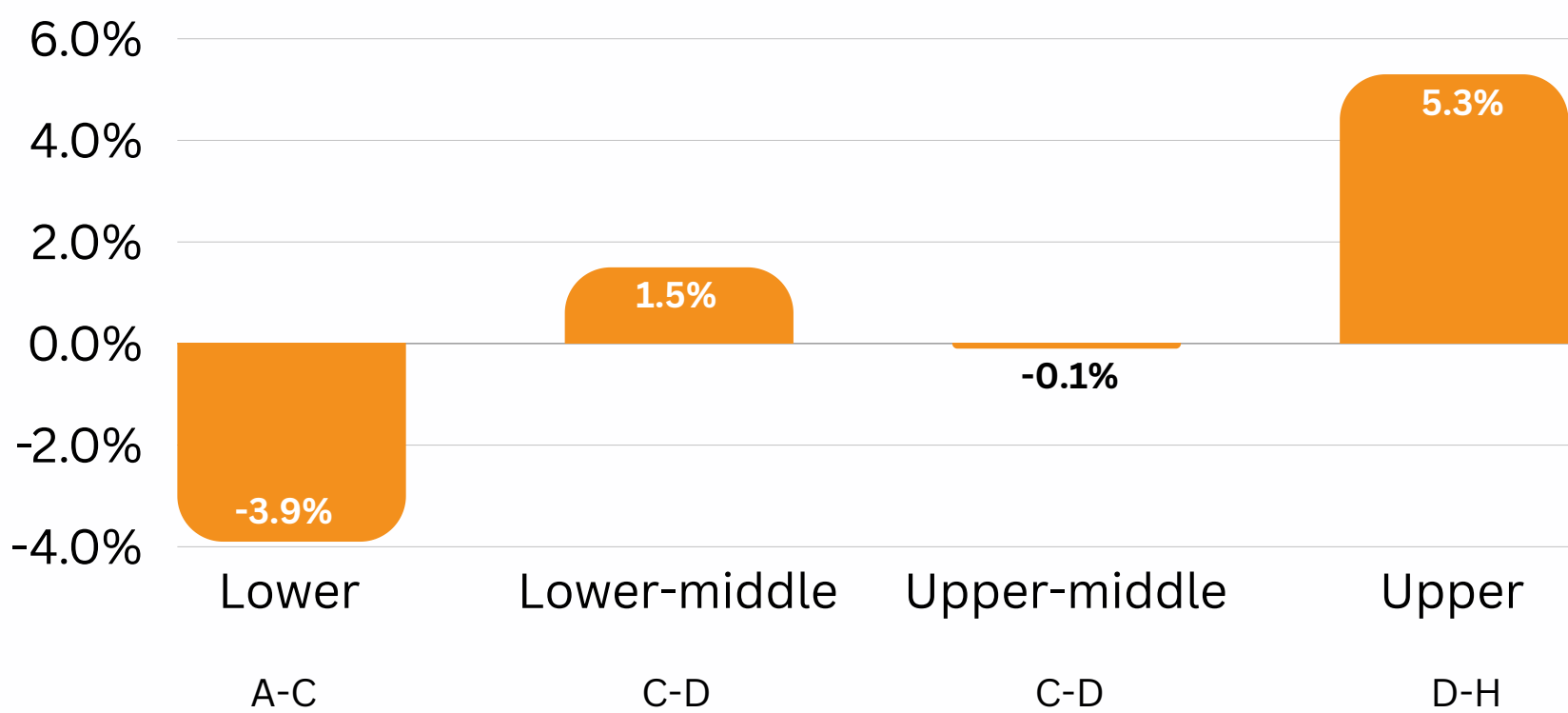
# OUR ETHNICITY PAY GAP

## ETHNICITY PAY GAP QUARTILES

This data shows the proportion of White to POC colleagues in each pay band quartile.

Pay Band Quartile	White	POC
1. Lower quartile	74.5%	25.5%
2. Lower middle quartile	76.5%	23.5%
3. Upper middle quartile	80.4%	19.6%
4. Upper quartile	76.5%	23.5%

## INTER-QUARTILE PAY GAP



## MEDIAN PAY GAP

The median pay gap is calculated by determining the midpoint, or middle value, of the earnings distribution across an organisation.

The median pay gap for white to POC employees is 1.8%.

## MEAN PAY GAP

The mean pay gap is determined by finding the average earnings across two groups and then calculating the difference between the two values.

The mean pay gap for white to POC employees is 2.2%.

## UNDERSTANDING THE PAY GAP %

Pay gap calculation:

- Average White earnings denoted by 'x̄A'
- Average POC earnings denoted by 'x̄B'

$$\frac{(\bar{x}A - \bar{x}B)}{\bar{x}A} \times 100 = \text{pay gap \%}$$

A positive pay gap indicates a difference in pay in favour of colleagues who identify as white; and a negative pay gap indicates a difference in pay in favour of colleagues who identify as any ethnicity under the POC umbrella.





In southern Bangladesh, one of the world’s most disaster-prone areas, climate change has increased the frequency of cyclones, tidal surges, coastal erosion and drought.  
(Photo credit - Turjoy Chowdhury/ActionAid)

# ETHNICITY PAY GAP PER BAND

The table below shows the hourly pay differential between white and POC colleagues in each pay band.

The data indicates that POC colleagues are paid marginally higher hourly rates than their white counterparts across bands A-E, which make up 92.9% of the organisation (195 colleagues). Of particular note, bands A and B appear to show significant pay gaps in favour of POC colleagues - up 14.6% (median) in band A and 4.2% (mean) in band B. This translates to an hourly rate differential of £0.79 and £2.10 respectively and may be explained by the larger number of low service white colleagues in this band.

It is also important to consider the impact of location on this data. Notably, by removing colleagues based in Chard from the calculation, the mean pay gap in band A reduces from -10% to -3.7% and alters band B from -4.2% to 2.5%. Given that *all* colleagues outside of the London office identify as white (with the exception of 1 colleague who did not disclose thier ethnicity), 67% of whom sit in bands A and B; adjusted numbers may be considered to be representative of ActionAid UK’s pay gaps at these levels.

Band G and band H show 0% pay gaps due to each band being made up of white colleagues only.

Pay Band	% Mean	% Median	# POC	# White	% POC
A	-10.0	-14.6	4	11	27
B	-4.2	-3.4	5	15	25
C	-0.2	1.4	14	37	27
D	-1.4	-0.3	16	63	20
E	-1.6	-2.4	5	19	21
F	2.3	6.1	3	9	25
G	0	0	0	2	0
H	0	0	0	1	0



# SUMMARY

In summary, this report shows a marked improvement on last year's figures. POC representation has increased at a rate greater than overall headcount growth (1.9%) as well as the increase in white representation from 2022 to 2023 (3.2%). Clearly, the organisation has made a conscious effort to adopt fairer, more culturally diverse recruitment practices.

Additionally, whilst the pay gap remains marginally in favour of white colleagues overall, this is driven largely in the upper quartile where POC representation remains low. As such, it is important to note that whilst bands G and H show a 0% pay gap, these bands still impact the overall figures.

That said, throughout bands A-E, the mean pay gap is largely in favour of POC colleagues. This can be for a multitude of reasons. Our analysis suggests that whilst the lower bands are made up of a much higher proportion of white colleagues, a higher percentage of POC colleagues occupy roles that may require additional/specialist qualifications. In addition, the locations of colleagues plays a vital role in skewing the data. By removing colleagues situated outside of London, the pay gaps shown in bands A and B are reduced and more reflective of ActionAid UK pay structure.

On balance, these findings indicate progress in addressing pay disparities, with promising trends in the lower bands. However, efforts should continue to increase POC representation in higher quartiles and promote equity across all levels of the organization. This report underscores the importance of ongoing commitment to diversity, inclusion, and pay equity within the organisation's strategic goals.

## EXTERNAL BENCHMARKING

The latest data from the Office for National Statistics was released in 2020 in relation to 2019 salary data. The UK national mean hourly pay gap was 13%. See the full report [here](#).



Nimo and her family desperately need food and water, Somaliland.  
(Photo credit - ActionAid)





Clodine was married as a child to a much older man. She joined an ActionAid-supported cooperative so she can be economically independent.

(Photo credit - Crystaline Randazzo/ActionAid)

## ACTIONAID UK'S COMMITMENT

ActionAid UK is passionate about its people and remains committed to equality, fairness and minimising any disparity in pay across the various ethnic groups represented in the organisation.

As part of the ongoing effort to close the gaps identified in this report, it is recommended that ActionAid UK consider the following actions:

- Maintain a fair and transparent recruitment process to ensure equal opportunity for candidates from all backgrounds.
- Ensure that all colleagues have equal opportunity and access to promotion within the organisation.
- Continue to develop and leverage groups of influence within the organisation, bringing the views of all ethnic representations to the forefront of the People Strategy.
- Review ActionAid's pay banding structure to ensure that any possibility of unconscious bias can be mitigated.
- Continue to communicate transparently with all colleagues, including where there is obvious work to do.
- Continue to monitor opportunities for further benchmarking in the charitable sector.
- Continue to seek feedback from staff via staff surveys.
- Encourage career advocacy and mentoring initiatives throughout the organisation, particularly to colleagues in bands A-D where there is an opportunity to minimise pay gaps and optimise ethnic representation.
- Consider adopting a coaching culture to support the interests of and widen POC representation at SLT level.





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**ImaginativeHR**

**ACTIONAID WORKS WITH WOMEN AND GIRLS LIVING IN POVERTY. OUR DEDICATED LOCAL STAFF ARE HELPING END VIOLENCE AGAINST WOMEN AND GIRLS AND CHANGING LIVES, FOR GOOD. WE WON'T STOP UNTIL WOMEN AND GIRLS ARE OUT OF DANGER, OUT OF POVERTY AND ON TRACK TO CREATE THE FUTURE THEY WANT.**

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