

ICAEW



Stott and May
Professional Search Limited

Salary Survey 2015

Foreword

This year's report shows no major changes in salaries since 2014. This was expected to some extent. Boom periods are great, but they are, by definition, finite. While the sluggish wage growth is not in itself cause for significant concern, the lack of movement in some areas needs to be addressed.

For example, male respondents are earning an average of £126,000 a year including bonus, while their female counterparts earn £73,300. The gender pay gap is not limited to accounting and it should be addressed by the wider business community. The mitigating factors presented in this report – namely, that women are less likely to work in typically better-paid sectors and roles – merely serve to emphasise the discrepancy. More needs to be done to accommodate the requirements of female employees. Businesses need to work hard to ensure the workplace is a flexible one that accommodates and is inclusive of all employees and supports the development of future female leaders.

Furthermore, the increases in salaries and bonuses for employees of larger companies – and the decreases for their smaller rivals – may not be overwhelmingly huge, but if they continue apace, they could have long-term implications. It will always be the case that bigger employers can afford to pay more than their smaller rivals, but efforts should be made to ensure that companies of all sizes can afford the talent their business requires.

With that said, the report contains good news for the accountancy profession. Average salary and bonus have remained stable, and now stand at £90,200 and £20,600 respectively. In his recent Budget, the Chancellor called Britain 'the comeback country', and accountancy has benefited from the economy's vigour.

London continues to flourish and accounting professionals in other areas are seeing significant gains. Even in areas that have seen decreases in overall salary – such as Scotland – bonuses are improving to mitigate the loss. But with 1 in 5 ICAEW Chartered Accountants looking for a new role, and 1 in 3 expected to move in the next year, employers must focus efforts on staff retention and engagement throughout 2015.

Ultimately, the profession remains in robust health. The top priority for ICAEW members should be provoking movement in areas that have remained static for too long.

If these improvements are made, ICAEW Chartered Accountants have every reason to retain confidence.

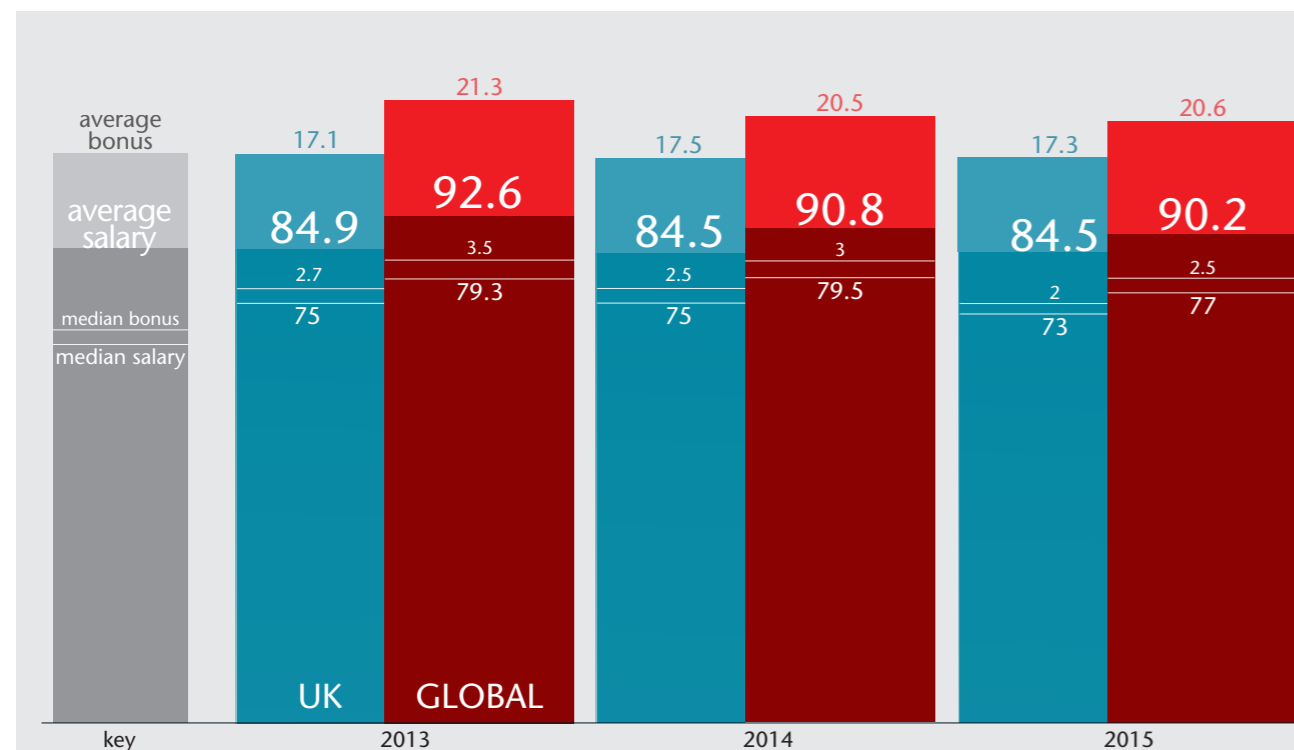
Nina Carpanini
Director, Stott and May

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Who is looking to change jobs and what makes them want to move?

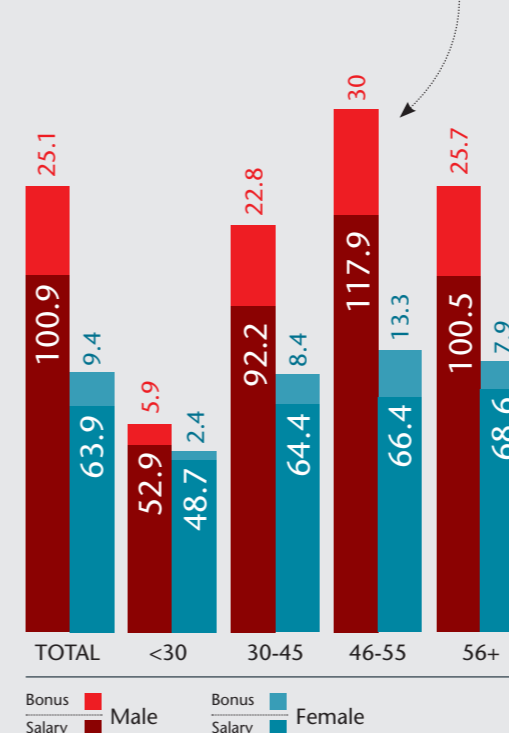
Key findings

Average basic salary and bonus (£k)



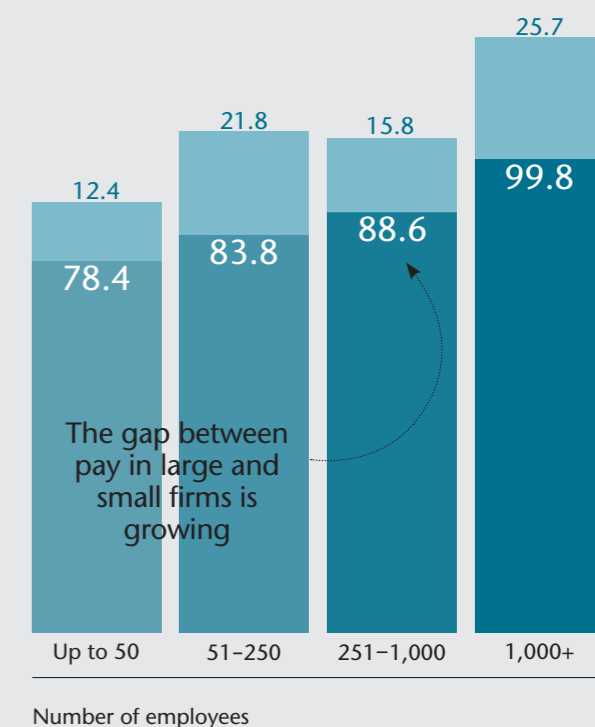
46% Male respondents aged 46-55 earn 46% more on average than female counterparts

... by age and gender (£k)



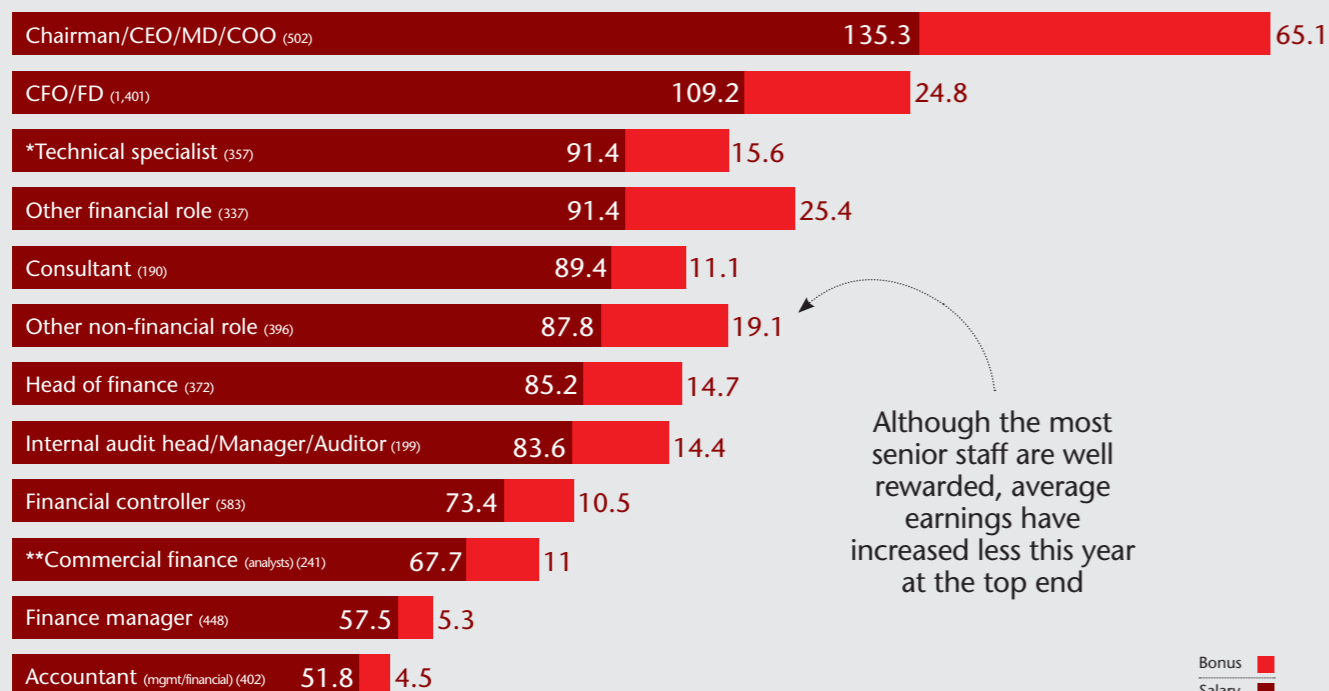
£84.5k Average UK salary

... by company size (£k)



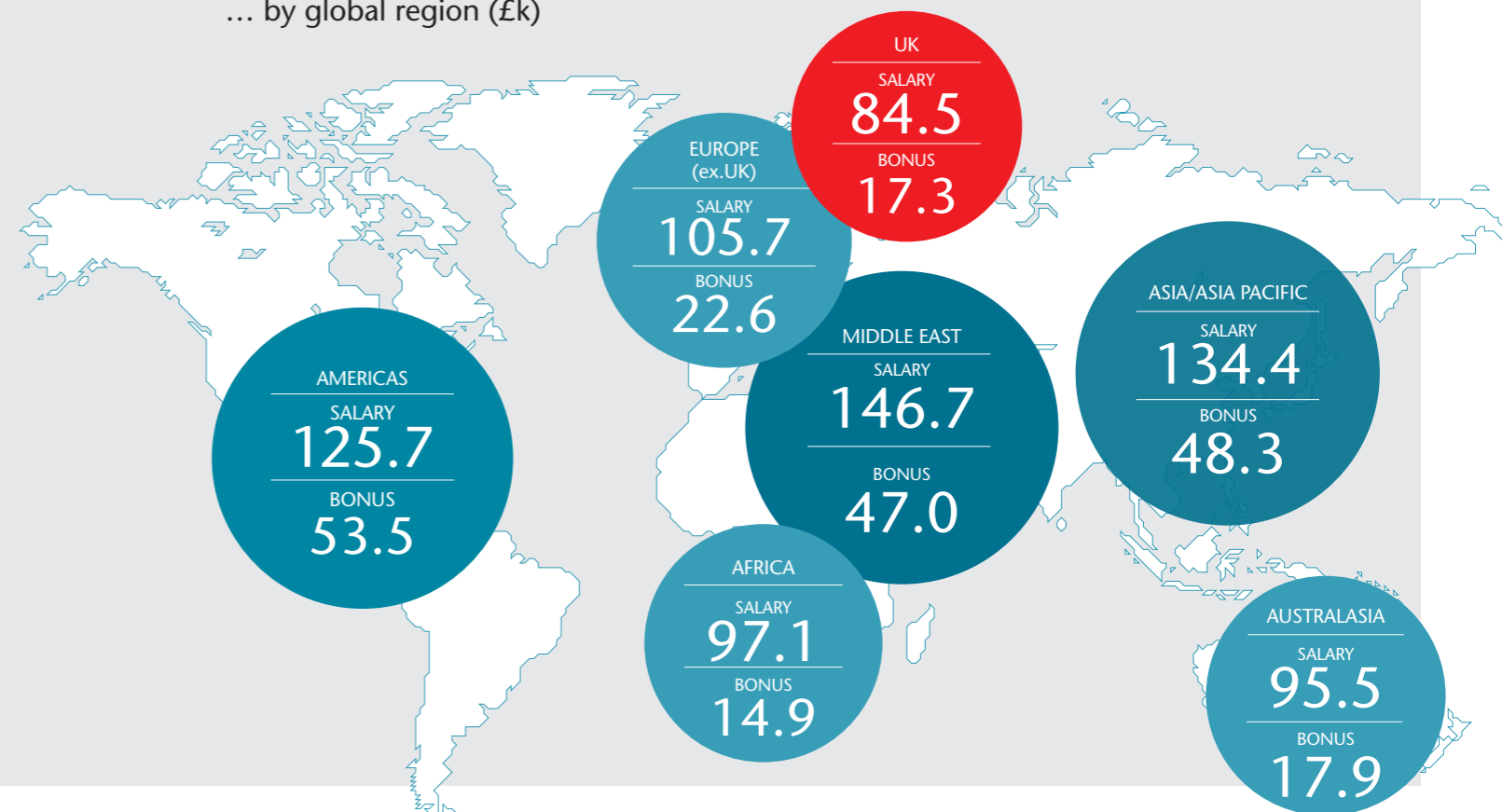
... by job role (£k)

*Technical specialist – Tax Specialist / Risk Compliance Specialist / Project / System Accountant
 **Commercial Finance – Financial Planning and Analysis / Commercial & Financial & Business Analyst



Although the most senior staff are well rewarded, average earnings have increased less this year at the top end

... by global region (£k)



Gender, age and experience

The impact of age, time in work and gender on average salary and bonus

42% On average male respondents earn this much more than females

The headline from this year's ICAEW salary survey, sponsored by Stott & May, is that salaries and bonuses have remained fairly static. This follows the trend of the last four years, which have seen little movement in overall earnings. The average salary this year is £90,200, compared to £90,800 last year (and £92,600 in 2013). Meanwhile, the average bonus is £20,600 (£20,500 in 2014, £21,300 in 2013). Median salary, which is more reflective of the majority of earners, is £77,000 this year, from £79,500 last year and £79,300 in 2013 (while median bonuses are £2,500, £3,000 last year and £3,500 in 2013).

Findings suggest the gap between earnings for men and women is still unbridged, with males earning an average total of £126,000 while females earn £73,300. For salary alone, this difference has widened every year since 2012. One of the reasons could be that women are more likely to work part time and less likely to work in high-paying roles or sectors such as banking or insurance, that pay the most.

The disparity is even there among respondents under 30; men under 30 earn £58,800, women £51,100. At 46 to 55, the average female earning is half that for men. Women in this age group saw a drop in earnings (£79,700 from £83,900), while men saw an increase (from £142,600 to £147,900). Oddly, this situation reverses over the age of 56, with women seeing an increase and men experiencing a small drop in earnings.

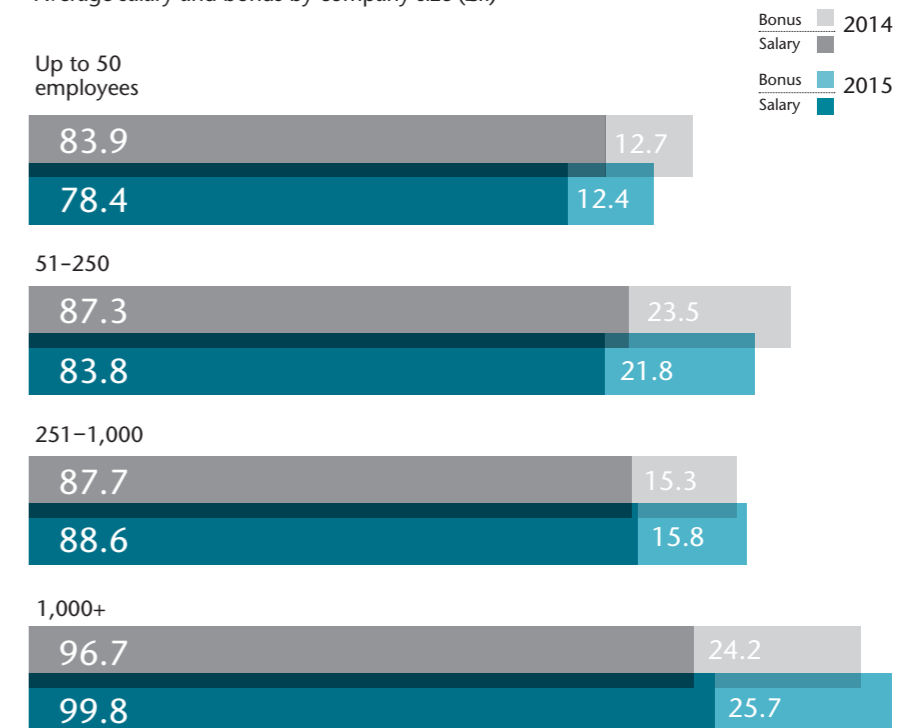
Finally, for those newly qualified salaries are up (£48,100 from £47,900), but bonuses dipped (£1,800 from £3,900).

Size matters

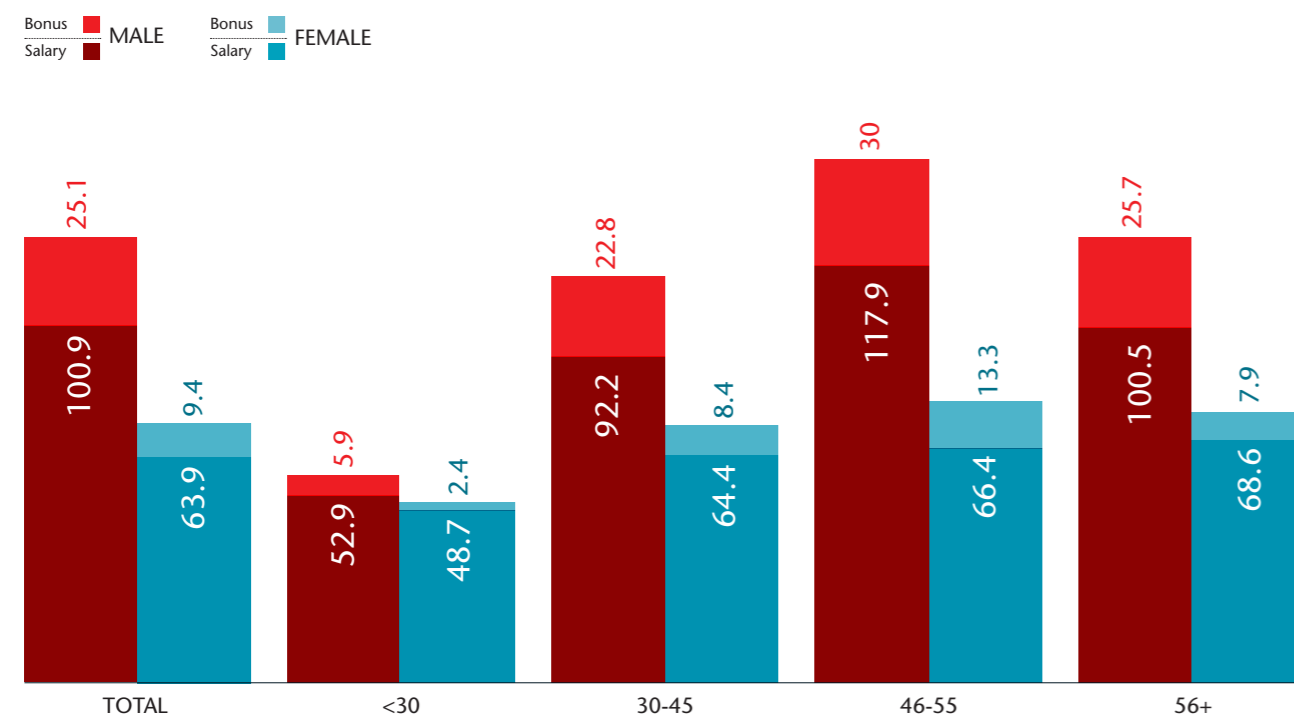
While the average pay is more sector-dependent, the findings from this year's survey suggest the gap between larger and smaller employers is getting more marked.

The difference in earnings has widened, with an increase for those employed by large organisations (average salary up from £96,700 to £99,800 with bonus up from £24,200 to £25,700) and a drop for those in smaller businesses (salary is down from £83,900 to £78,400 with the bonus down from £12,700 to £12,400).

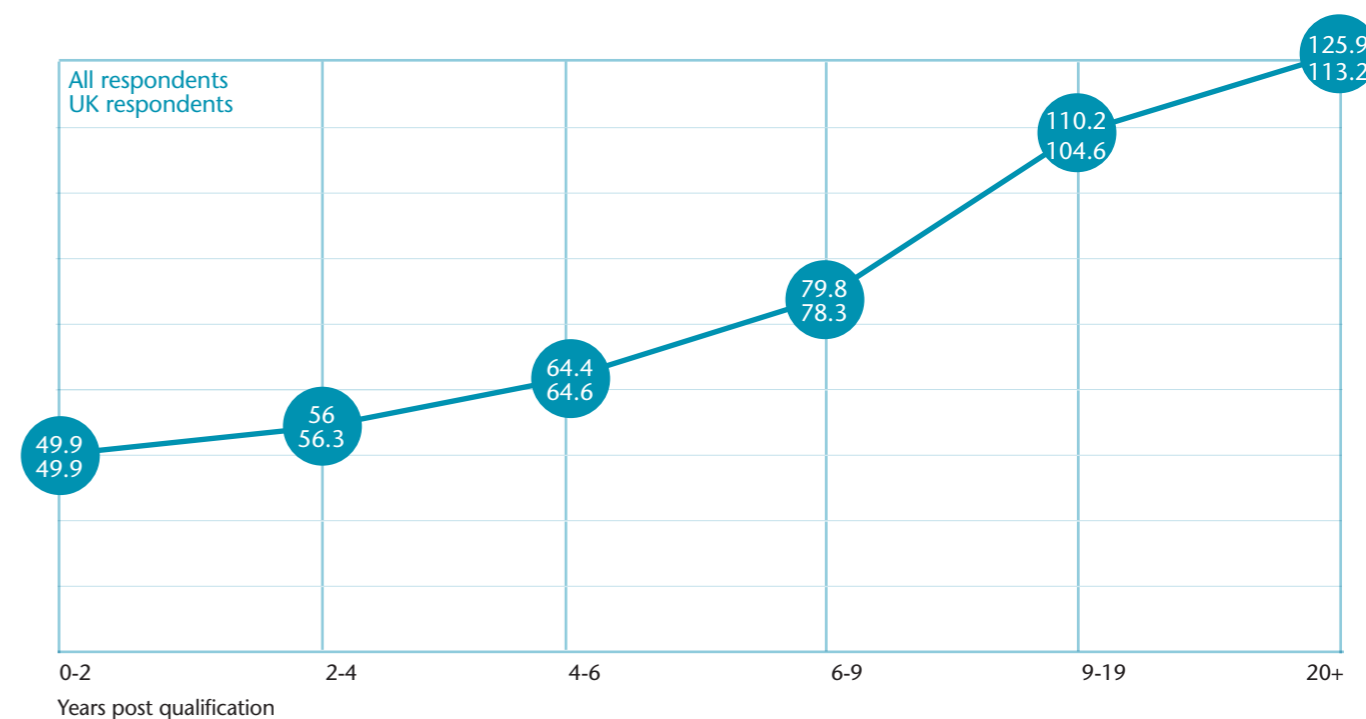
Average salary and bonus by company size (£k)



Average basic salary and bonus by age and gender (£k)



Average earnings (salary + bonus) by career stage (£k)



Sector and regional analysis

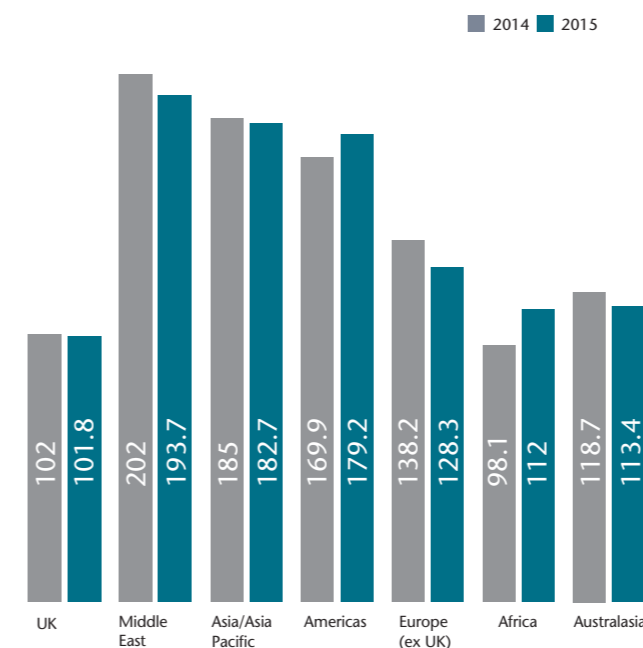
How do sector and country impact how much you earn?

There are some interesting shifts in average salaries between sectors. Salaries and bonuses in banking and capital markets continue to outstrip others. And the gap between the highest- and lowest-earning sectors (banking and charities) is larger than last year. Respondents in banking earned in total £172,800, up from £170,700 last year, while in charities the average was £64,500 (£69,500 last year).

Earnings in the public sector (government and agencies), while still lower than in most other sectors, have recovered slightly from the heavy reductions seen in last year's survey. Other sectors that show an increase this year are: healthcare and pharmaceuticals, and leisure and tourism.

The global picture suggests that while UK earnings across all sectors have remained relatively static, there has been a small downward movement in salaries for those based outside the UK. A key factor behind this movement is likely to be exchange rates, with a small increase in salaries in the Americas (where the US\$ is up by 8%) partly balanced by decreases in Europe excluding the UK (with the euro down 10%) and Australasia (with AU\$ down 7%).

Total global salary and bonus year on year (£k)

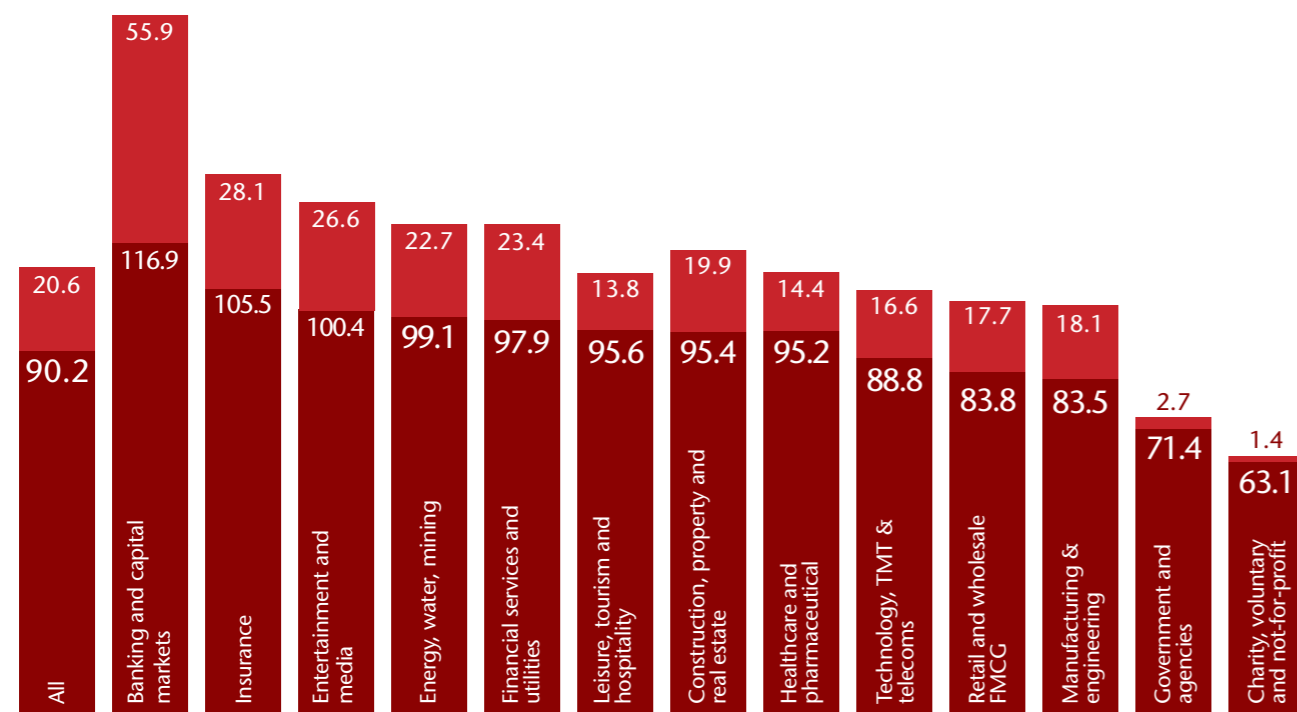


Bonus by sector
There are signs that the recovery is reaching into the banking and insurance sectors. Three-quarters of firms in these sectors have paid bonuses in the last 12 months. In contrast, less than a fifth of employers in government, non-profit and charitable organisations, did so.

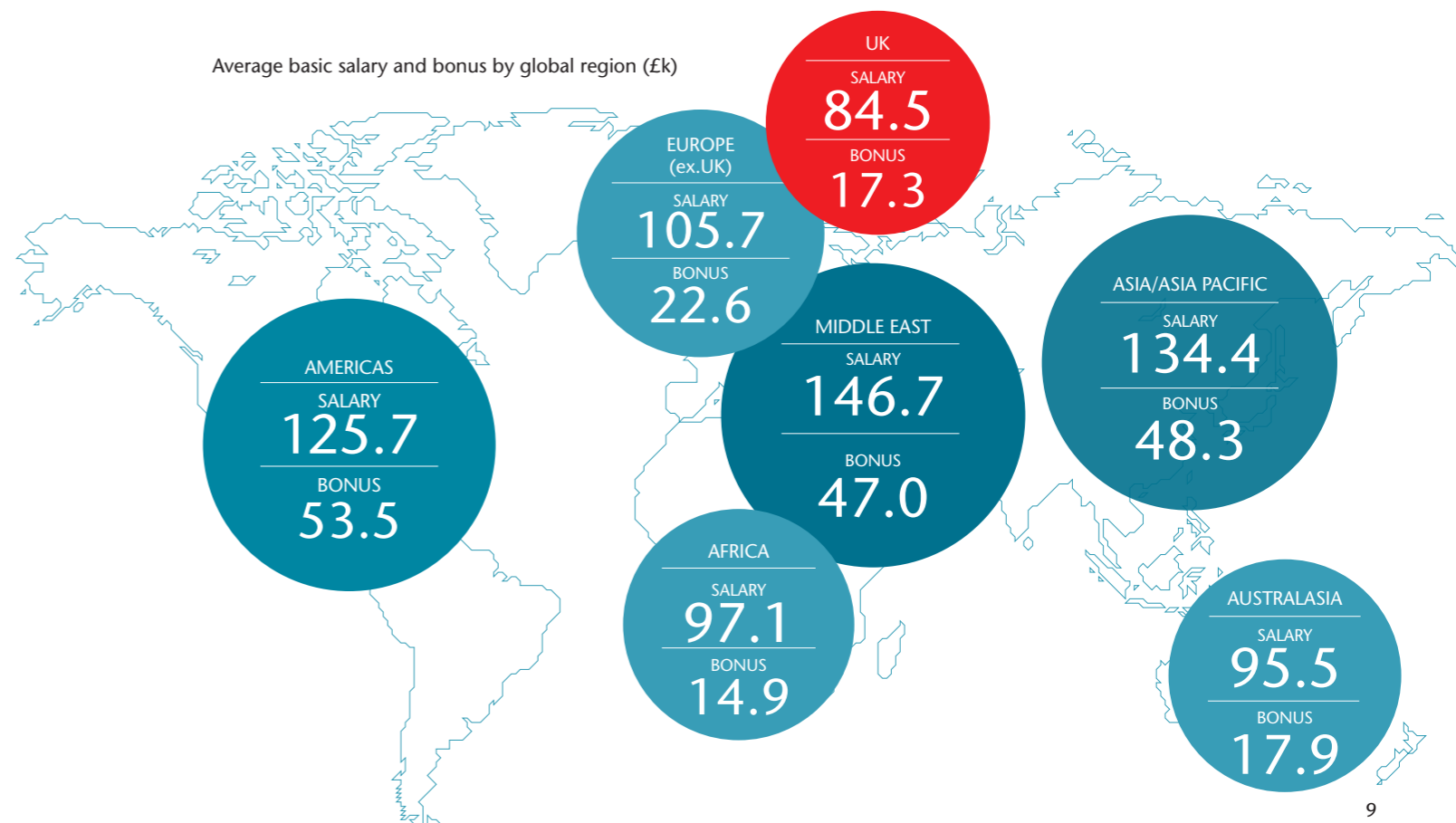
Entertainment and media is another sector that has seen a considerable increase in the number of employers making bonus payments.



Average basic salary and bonus by sector (£k)



Average basic salary and bonus by global region (£k)



The UK and London picture

A look at how salaries have shifted across the UK. Plus, analysis of who is moving jobs and why

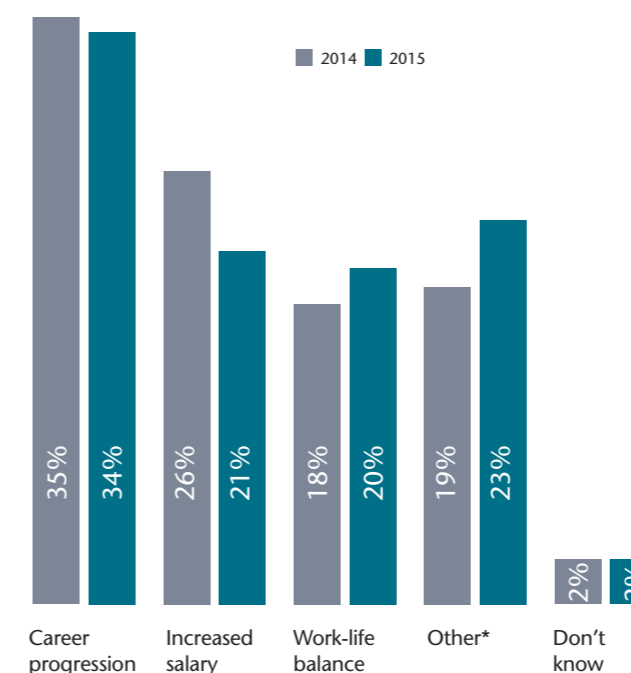
There are some interesting differences in this year's regional results. Despite a slight dip in earnings in the region (total earnings fell from £132,000 to £131,300), it is clear the London boom continues apace. In London, chairmen and CEOs, and other non-CFO C-Suite executives, experienced a big drop in average earnings (from £312,700 to £260,900), while CFOs saw their annual earnings jump to £153,400 from £148,300. London remains the region with the highest average salary and bonus. Scotland saw a drop in average salary (down from £82,600 to £69,600), although better bonuses made up for some of the drop (up from £14,000 to £18,800).

Regardless of where they are based, one-in-five ICAEW Chartered Accountants say they are currently looking for a new job, and one in three expect to move in the next year. Young accountants and people working in larger companies are most likely to move. Men are more likely to be looking for a move than women, while those working in leisure or healthcare are more likely than those in other sectors.

When it comes to explaining what they are looking for, most cite career progression, followed by increased salary and a better work-life balance.

Reasons for moving jobs

* (Inc. Opportunity to work in another country 4%, Better training and development 1%, Better bonus 1%, Better benefits 1%)



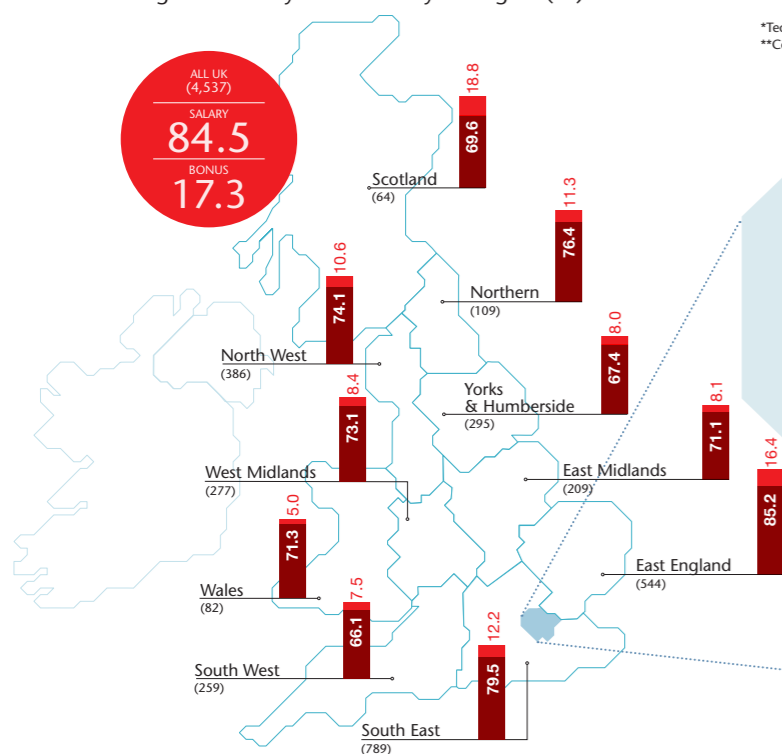
Methodology

Data collection was carried out online by an independent market research company in February 2015. All ICAEW members in businesses other than accountancy practice (a total of 65,352 members) were invited to complete the survey. Most received direct invitations by email, but the survey was also publicised elsewhere to encourage response.

In total 5,466 completed survey responses were processed. Data has been weighted to ensure the profile of the survey sample accurately represents all ICAEW members working in businesses other than accountancy practice.

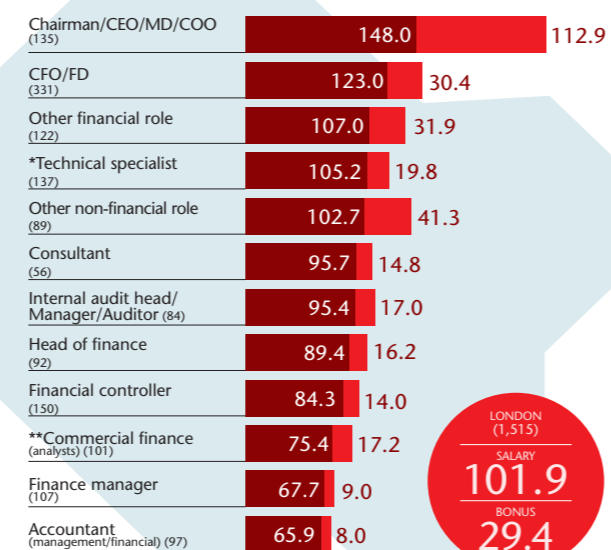
Data has been weighted by geographical location, age, gender and company size. Data is also weighted according to the regional distribution of members in businesses other than accountancy practice within the UK and outside the UK. Almost a fifth (17%) of these members are currently based outside the UK.

Average basic salary and bonus by UK region (£k)



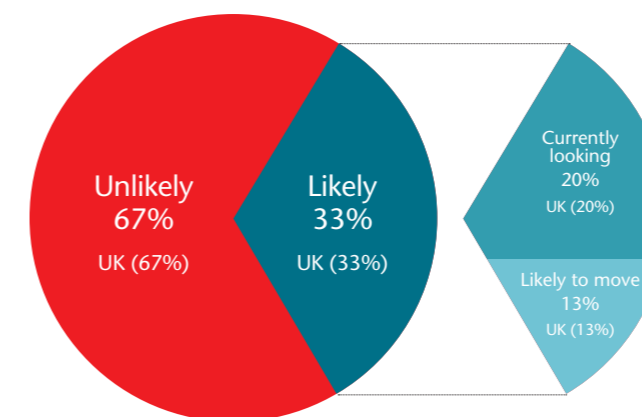
Average basic salary and bonus by job role – London (£k)

*Technical specialist – Tax Specialist / Risk Compliance Specialist / Project / System Accountant
**Commercial finance – Financial Planning and Analysis / Commercial & Financial & Business Analyst



Bonus ■
Salary ■

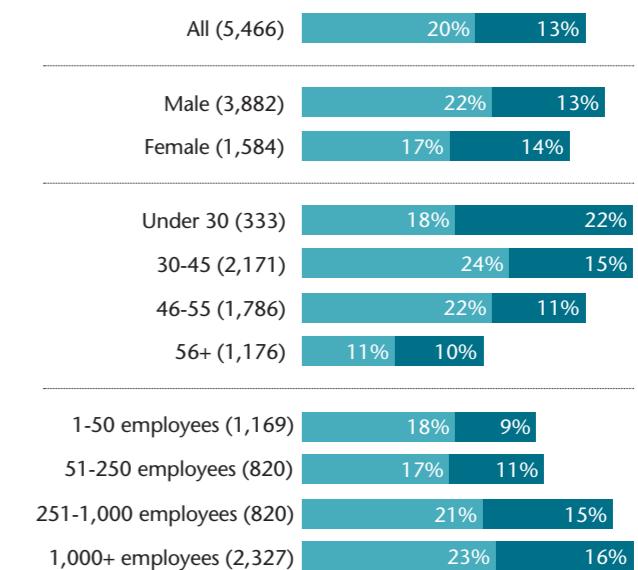
Likelihood of moving jobs in the next 12 months



Base: Total sample = 5,466 (UK = 4,537)

Who is most likely to move?

% currently looking or likely to look in next 12 months



Looking ■
Likely ■

Founded late in 2009, Stott and May is a boutique international consultancy based in the City of London. It's highly experienced teams deliver accountancy and finance services and engagements across the UK and Europe.

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