



Barnardo's Ethnicity Pay Gap Report

May 2021

Believe in
children
 Barnardo's

Contents

Foreword	3
Our Ethnicity Pay Gap: How is it calculated?	4
Barnardo's Ethnicity Pay Gap	4
Our Ethnicity Pay Gap: What does it show us?	5
Our Ethnicity Pay Gap: Future Priorities	9



Foreword



This year we are pleased to publish our first ever Ethnicity Pay Gap Report.

Whilst it is not currently a statutory requirement to report on our ethnicity pay data, we believe this is an important step on our journey towards greater equality, diversity and inclusion, and effective anti-racism.

This report is based on data from April 2020, which shows Barnardo's median ethnicity pay gap is -12%. This means that, on average, colleagues who identify as being from a Black, Asian or other ethnic minority (BAME*) group, earn more than their White colleagues.

As with any data of this kind, the headlines only tell us so much. Our analysis shows that when we look specifically at colleagues identifying as Asian or Asian British; Black or Black British; Mixed; and Other, each of these groups earns more when compared with White colleagues, although the size of the gap varies. BAME male colleagues are paid on average 24.3% more than White male colleagues, while BAME female colleagues are paid 5.95% more than their White female counterparts.

However, there is still work for us to do. We have identified some differences between Regions and Departments, which provides useful insight for managers and leaders. Additionally, BAME colleagues are underrepresented in our frontline children's services roles, meaning we are not yet fully representative of the communities we support.

Building a diverse and inclusive workforce remains a top priority at Barnardo's. We know this is critical for improving outcomes for the children and young people we support, and to improving the experiences and opportunities of our colleagues and volunteers.

We will publish an Ethnicity Pay Gap Report every year from now on, and we hope this will encourage others to do the same.

Javed Khan

Chief Executive, Barnardo's

*Individuals may choose to identify themselves in different ways, including as Black, Brown, BAME, as 'people of colour' and/or as members of Global South Communities.

Our Ethnicity Pay Gap – How is it calculated?

Ethnicity pay gap is calculated in the same way as our gender pay gap analysis¹.

The ethnicity pay gap is the percentage difference between hourly earnings for White and BAME colleagues across an organisation. This can help us to assess the levels of pay equality at the charity, the balance of BAME and White colleagues at different pay grades, and how effective we are at nurturing and rewarding talent.

We have excluded CEO pay data for these calculations.

Barnardo's Ethnicity Pay Gap Overall Ethnicity Pay Gap

Using the median average calculation,² White colleagues are paid 12.09% less compared to BAME colleagues.



1. Data taken from April 2020.

2. The median average earnings are calculated by ordering all earnings from lowest to highest and finding the middle point. Because the median earnings calculation provides the middle value, it helps show the typical earnings of an employee within the group being analysed. The ethnicity gap is calculated by taking the percentage difference between median earnings for BAME colleagues and white colleagues.

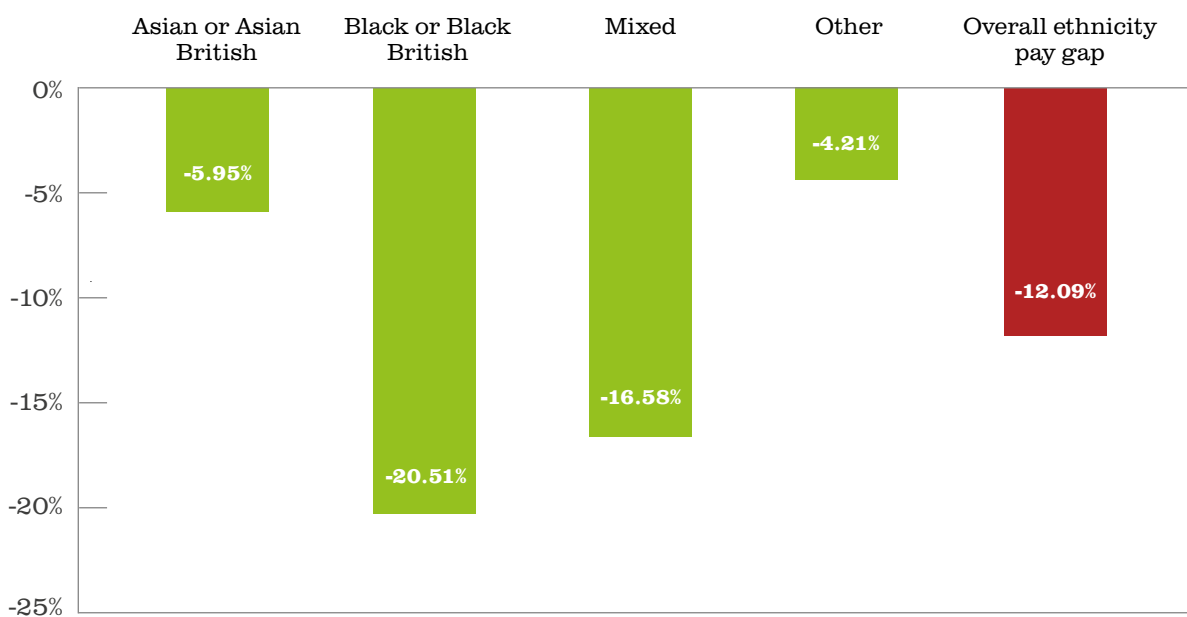
Our Ethnicity Pay Gap Data

What does it show us?

Individual Ethnic Groups

In order to ascertain whether there were differences between individual ethnic groups, the data has been broken down further, see Figure 1.

Figure 1: Further breakdown of Barnardo's Ethnicity Pay Gap by ethnicity



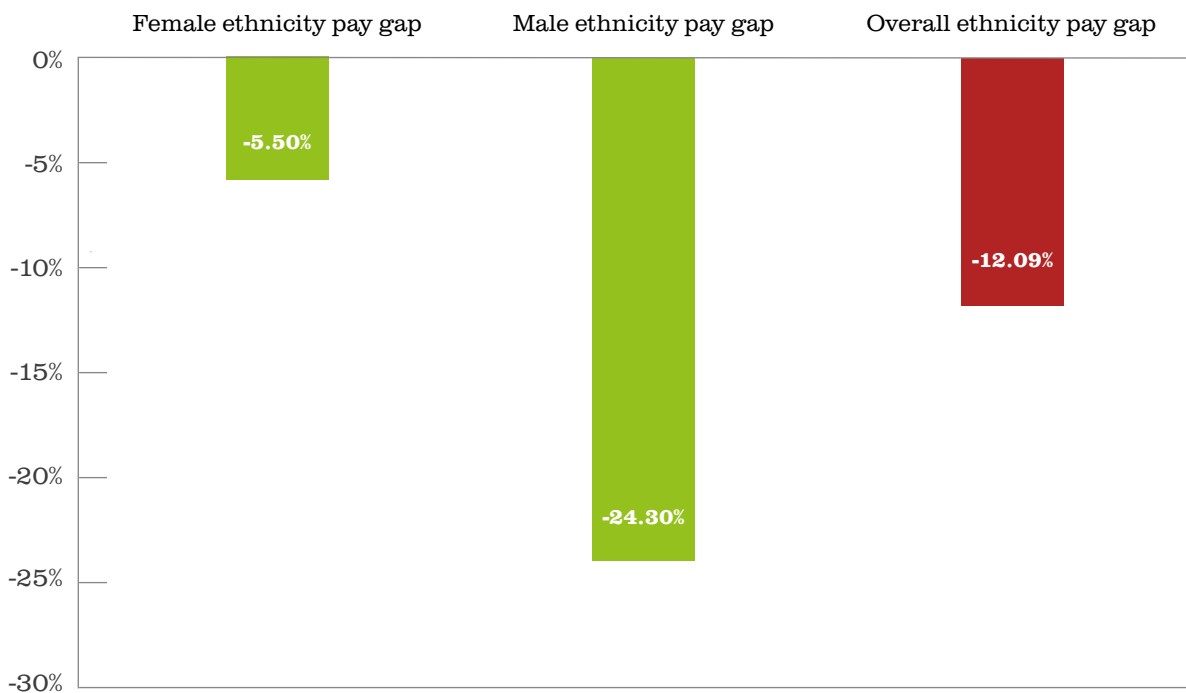
Note: the negative values indicate pay gaps in favour of colleagues from BAME Groups.

This shows there is greater pay parity between Asian/Asian British and White colleagues at Barnardo's; and the greatest gap is between Black/Black British colleagues compared to White colleagues.

Gender & Ethnicity

Figure 2 displays the ethnicity gap further broken down by gender. For example, the first bar in the chart shows female White colleagues are paid 5.5% less than female BAME colleagues when calculated using the median average.

Figure 2: Barnardo's 2020 Median Pay Gap by Gender



Note: the negative values indicate pay gaps in favour of colleagues from BAME groups.

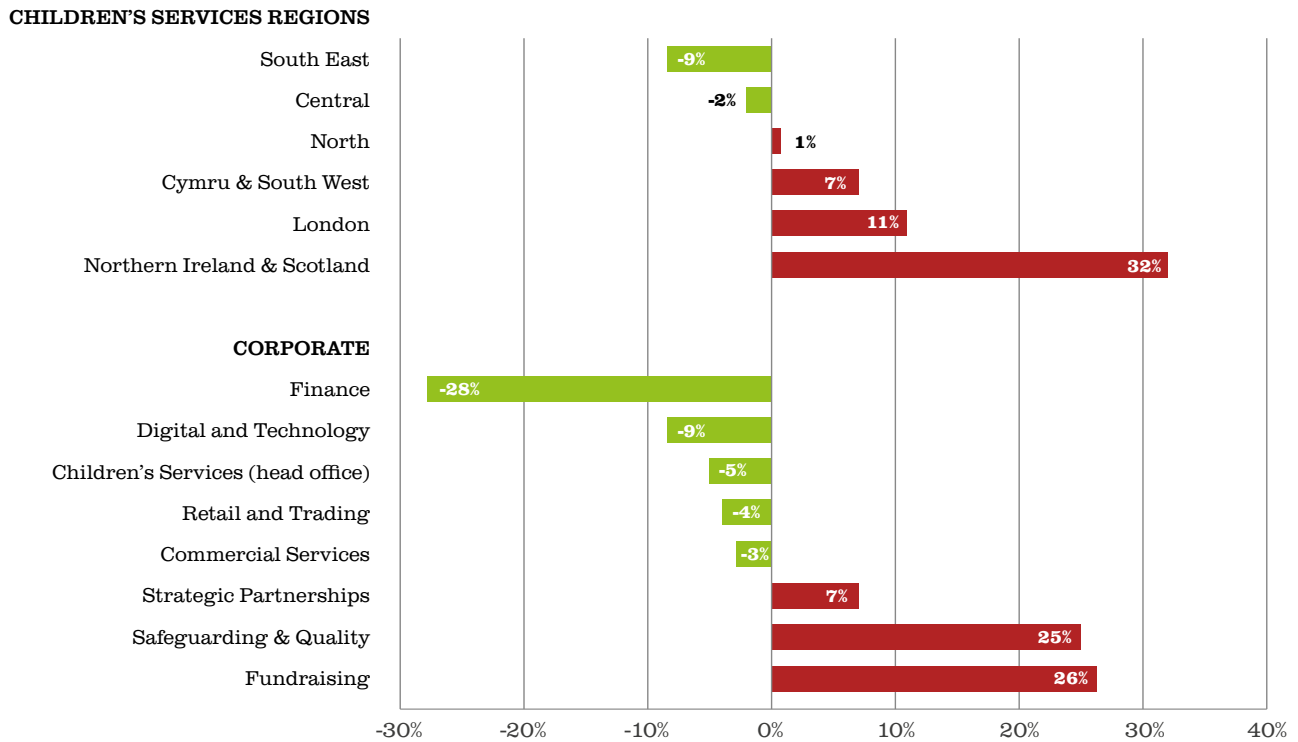
This shows the male ethnicity pay gap is much larger than the female ethnicity pay gap.

Male BAME colleagues are paid more than male White colleagues on average. Female BAME colleagues are also paid more than White female colleagues, but there is closer pay parity for female colleagues while male BAME colleagues are on average paid significantly more than male White colleagues.

Directorate

Analysing the data by Directorate (Figure 3) shows us that **in half of the Directorates (7 out of the 14 analysed) BAME colleagues are paid more than White colleagues.** However, it does highlight some areas where white colleagues' average pay is higher than BAME colleagues – including Northern Ireland & Scotland, London, and Fundraising.

Figure 3: Barnardo's 2020 Median Ethnicity Pay Gap by Directorate



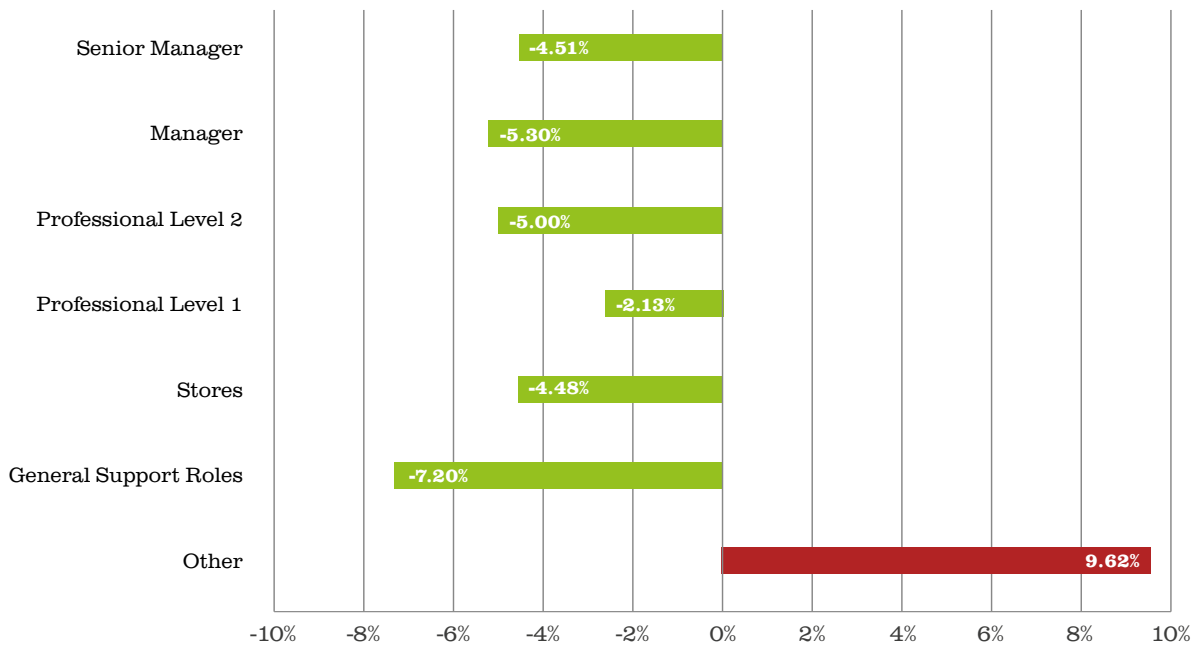
Note: the negative values indicate pay gaps in favour of colleagues from BAME groups, whereas positive values indicate pay gaps in favour of White colleagues. The Directorates reflect Barnardo's organisational structure in April 2020. 17 Directorates were not included due to small sample sizes.

Further investigation is required to understand the drivers of these differences, which will include examining more granular data and discussion within local Ethnicity, Diversity and Inclusion groups.

Job Categories

Figure 4 below shows analysis of ethnicity pay gaps by broad job category within Barnardo's.

Figure 4: Barnardo's 2020 Median Ethnicity gap by Job Category



Note: the figure is ordered by seniority but excludes the senior leadership team due to a small sample size. Negative values indicate pay gaps in favour of colleagues from BAME groups, whereas positive values indicate pay gaps in favour of White colleagues.

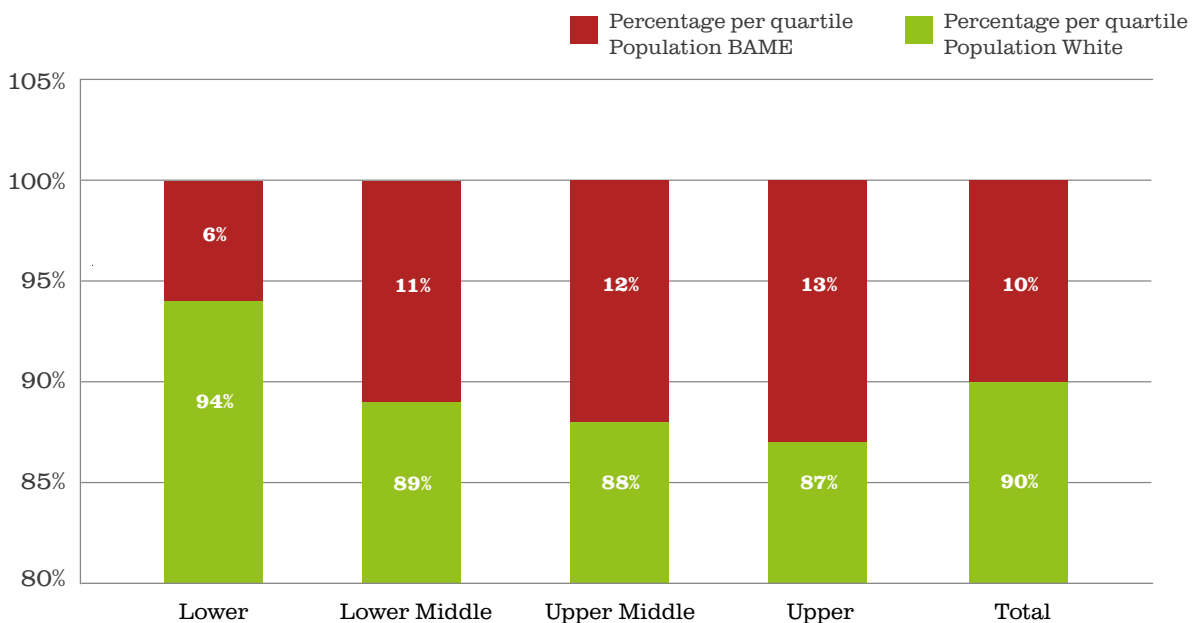
This shows the median hourly pay is higher for BAME colleagues in 6 out of the 7 Job Categories. The only gap in favour of White colleagues is the 'other' job category.

Our Ethnicity Pay Gap

Future Priorities

Our analysis shows, aside from discrete pockets within a few directorates, that BAME colleagues are paid higher average hourly earnings than white colleagues. However, this does not mean that we do not have work to do. We know for example that BAME colleagues are underrepresented in the lowest pay quartile compared to the total Barnardo's population (Figure 5 below) This means BAME colleagues are underrepresented in our frontline children's services work, meaning we are not fully representative of the communities we support.

Figure 5: White & BAME colleagues per quartile as % of each population³



We need to ensure that over the longer term we work to close the pay gap and aim to have more balanced pay across ethnicity and gender. In 2021 we will assess the effectiveness of the various initiatives we have developed to increase diversity at all levels of our workforce and to achieve pay equality, such as our Emerging Leaders Programme and 'License to Recruit' initiative (which aims to tackle bias within the recruitment process).

3. Quartiles divide all colleagues into four groups based on their earnings. For example, the lower group contains the quarter of colleagues who are the lowest paid in the Charity.



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