

# **Society of Professional Economists Salary Survey**

## **2022**

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### **Summary**

This year's salary survey shows that the typical increase in Members' pay overall was 2.0% over the year, up on the 0.3% recorded in our last survey. The increase was below the economy-wide 7% increase in average weekly total pay, although significant compositional changes and lags in the timing of pay reviews make direct comparison difficult. With CPIH inflation running at 4.8% in 2021, the survey suggests that total cash compensation fell in real terms over the year – the second successive year of real terms decline. Median basic salaries, rose by the same rate of 2.0%, also falling in real terms.

Average total cash compensation was highest among financial sector respondents, at £240,000. Meanwhile the average in consulting stood at £114,000, industry £115,000 and the public sector £70,000.

Some 23% of survey respondents were women, continuing a steady increase over the past 6 years from 13% in 2016. Women respondents' median basic pay was around 12% below that of men, while their median total pay was down by around 9% on a year ago. Unlike in past years it is not obvious from this year's survey that this pay gap can be explained by relative under-representation of women in the higher-paying sectors. On the other hand, the average male survey respondent was around five years older than the average woman.

Inevitably all the results of our salary survey have to be treated with caution. The number of respondents was just one higher than last year, with 99 people replying, hence we have to be conscious of both the risk of selection bias in the respondents and the limited sample size when drawing any conclusions. Nevertheless, the survey represents a useful window on pay trends in the profession.

## Salaries and Financial Compensation

Table 1 shows the distribution of salaries, including income from self-employment, and of total cash compensation (TCC), adding in salaries, bonuses and the value of any shares received, and compares these with last year's results.

Average base salaries of respondents dipped below six figures last year, at around £96,000, significantly lower than the figure from the 2021 survey. The median base salary was also down on the past two years, at £80,000.

With inflation running at 4.8% in 2021, the reported 2.0% median nominal growth in TCC was particularly weak, down on broad real terms stagnation in last year's survey and strong real terms growth in the 2020 survey. By comparison average full-time earnings growth across the rest of the labour market was much stronger in the year to Q1 2022, at 7%, although direct comparison is difficult because of the compositional changes in employment caused by the economic shock of the pandemic. Moreover the lag between the timing of respondents' pay reviews and those captured by ONS surveys mean that some undershoot is unsurprising. Median basic salary growth among our respondents stood at 2.0% - also down in real terms.

**Table 1: Salaries and total compensation**

Salaries				Total cash compensation			
Range (£K)	Number of responses (unless otherwise stated)			Range (£K)	Number of responses (unless otherwise stated)		
	2022	2021	2020		2022	2021	2020
<=40	11	14	13	<=40	14	15	11
41-60	20	18	22	41-60	12	15	19
61-80	13	11	14	61-80	15	11	11
81-100	18	12	14	81-100	16	16	18
101-120	10	10	9	101-120	6	6	8
121-140	5	6	5	121-140	4	5	4
141-180	8	11	13	141-200	11	9	10
>180	8	10	11	201-300	8	8	11
				>300	9	11	13
Average (£K)	96	107	102		134	151	139
Median (£K)	80	85	84		90	87	89
Maximum (£K)	320	320	320		750	1250	700

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Minimum (FTE, £K)	24	28	29		24	28	29
Total responses	99	92	101		99	96	105
Median Reported increase (%)	2	1	3		2	0.5	5

### Earnings by Sector

Table 2 shows salaries and TCC by sector. This year only saw a slight recovery in the number of responses from economists in the public sector, up to 19. However, this remains well down on the 49 public sector respondents in 2019. The distribution of responses across sectors was slightly different to last year. 23% of respondents were in financial services this year, a 10 percentage point drop, while 32% in consulting, with 9% working as economists in industry.

**Table 2: Earnings by sector**

(Money Values in £K)	Financial Services	Consulting	Other private Sector	Public Sector <sup>1</sup>	Other
<b>Respondents 2022</b>	<b>23</b>	<b>32</b>	<b>9</b>	<b>19</b>	<b>19</b>
2021	32	33	15	9	9
<b>Average salary<sup>2</sup> 2022</b>	<b>150</b>	<b>84</b>	<b>83</b>	<b>66</b>	<b>85</b>
2021	158	83	102	104	66
Maximum 2022	320	250	175	120	269
Minimum 2022	57	37	38	21	21
Median 2022	138	80	70	60	77
<b>Average total cash Compensation<sup>3</sup> 2022</b>	<b>240</b>	<b>114</b>	<b>115</b>	<b>70</b>	<b>89</b>
2021	288	87	113	106	71
Maximum 2022	651	750	230	130	279

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Minimum 2022	59	35	38	29	21
Median 2022	197	81	70	63	83
<b>No. Receiving Bonus</b>	21	24	3	6	3
<b>Average bonus %<sup>4</sup> 2022</b>	60	33	11	7	4
2021	84	15	11	11	N/A
<b>No. Receiving shares</b>	4	3	1	0	0
<b>Average value<sup>4</sup> 2022</b>	20	18	3	N/A	N/A
<b>2021</b>	30	N/A	11	N/A	N/A

Notes: 1. Including self-employment income 2. Total cash compensation includes bonuses, shares and options received 3. Of payments received 4. Some respondents reported working in two sectors and hence their responses feature in more than one column.

Average salaries of respondents ranged from £150,000 for those in the financial sector, slightly down on last year, to £85,000 in academia and charity economics roles, significantly up. The public sector average stood at £66,000, well below last year's level. In all cases it is likely that compositional changes in the respondents are driving the volatility in result, making year to year comparison of levels problematic.

Average TCC among respondents dropped back from last year's high in the financial sector, to £240,000. Within consulting, by contrast, average TCC bounced back up to £114,000. A stark drop in public sector respondents' average TCC to £70,000 reflects the same shifts in composition that caused volatility in the basic salary average. Convergent trends in the TCC of consultants and financiers were underpinned by faster increases in median TCC for consultants (over 5%) versus respondents in the financial sector (2%).

### Bonus Payments

Fifty-nine percent of respondents reported receiving a bonus in this year’s survey, eight percentage points higher than last year, but down on the 69% for the 2020 survey. The average bonus reported was £59,000, slightly lower than last year, although with a handful of exceptionally large bonuses distorting the picture, the median bonus was much lower, at around £12,800. Bonuses, for those receiving them, represented some 62% of basic pay on average in the financial sector, 32% in consulting, and 8% in industry. Over a third of public sector respondents received a bonus last year, averaging 7%.

### **Share Schemes**

For employees in the private sector, schemes offering employees shares in the enterprise are much less common than bonuses, with only 17% of such respondents this year reporting being in such a scheme, slightly down on the last two years.

### **Pensions and Other Benefits**

Table 3 shows, for each of the five sectors identified, the number of respondents who participated in pension schemes and received other benefits. Once again the great majority – 81% this year, against 85% last – report having some kind of pension arrangements associated with their employer (and many of the rest reported having a personal pension). The proportion in a defined-benefit scheme stood at 17% this year, reflecting a downward trend over a number of years. Outside the public sector the number of respondents in a defined-benefit scheme was 10%.

**Table 3: Pensions and other benefits by sector**

<b>Number in a scheme</b>	<b>Financial Services</b>	<b>Consulting</b>	<b>Other Private Sector</b>	<b>Public Sector<sup>1</sup></b>	<b>Other</b>
<b>Pensions</b>					
Number in a scheme	19	25	8	14	15
Percent of total	83	78	89	88	75
Defined benefit schemes	3	3	0	10	3

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Defined contribution schemes	19	22	8	4	12
<b>Other Benefits</b>					
Medical Insurance	17	15	5	3	4
Company car	0	1	1	0	2
Miscellaneous	7	4	2	4	6

The table also shows the numbers reporting other benefits in kind last year, which are broadly similar as a proportion of all replies to those reporting such benefits last year. About 44% of respondents reported receiving medical insurance from their employer, the same as last year and 42% the year before. Medical insurance is particularly prevalent in financial services (74% of respondents) while only roughly half of consultants and those in industry have it as part of their compensation package. Just 4% reported having a company car in this year's survey.

## Activity and Salary

Table 4 shows the numbers primarily engaged in each of the activities we had listed and the median salary received by those engaged in each activity. This year the proportion of respondents reporting public policy analysis to be their primary activity stood at 19%, similar to previous years. Econometrics, forecasting and modelling accounted for the activities of a further 27% of respondents, up on last year, with 20% in senior management and 12% working in international analysis.

**Table 4: Salary and Activity**

Activity	Number of respondents			Median Salaries (£k) <sup>1</sup>		
	2022	2021	2020	2022	2021	2020
<b>Forecasting &amp; Modelling</b>	26	20	21	70	65	58
<b>Business Planning</b>	3	8	7	55	67	53
<b>Market Trading &amp; Fund Management</b>	9	7	9	168	200	152
<b>International Analysis</b>	12	17	17	57	116	120
<b>Public Policy Analysis</b>	19	20	20	66	45	64
<b>General Management</b>	20	17	22	115	110	104
<b>Other</b>	9	9	8	80	100	75

Notes: 1. Including self-employment income

This year, the median reported salary received by those in general management was slightly up on last year, to £115,000. Market trading and fund management respondents had the highest basic salaries, with a median of £168,000. The small number of respondents in each of these categories suggests the need for caution in interpreting these comparisons however. The range between the basic salaries of the highest- and lowest-paid activities reported was a huge £113,000, as recorded salaries in market trading and fund management remained well above most others'. The year-to-year fluctuations likely reflect the changing composition of survey respondents each year, rather than big underlying shifts in the pay available in these sectors of the profession.

### Demography and Salary

Table 5 shows how gender, age and length of service are reflected in the pay of professional economists.

**Table 5: Salary and demography**

	Number of Respondents			Median Salaries (£k) <sup>1</sup>		
	2022	2021	2020	2022	2021	2020
Men	75	78	85	83	86	85
Women	23	19	18	73	68	59
Age (yrs):						
Under 35	34	26	36	58	58	50
35-55	44	42	43	110	118	110
Over 55	20	29	25	89	86	123
Service (yrs):						
Under 10	67	63	68	71	70	63
10 to 20	24	26	27	94	102	151
Over 20	5	6	4	116	105	97

Notes: 1. Including self-employment income. 2. Of those respondents indicating their gender.

Respondents between 35 and 55 received salaries averaging almost twice the level of under-35s.



Some 23% of survey respondents were women, continuing a steady increase over the past 6 years from 13% in 2016. Women respondents' median basic pay was around 12% below that of men, while their median total pay was down by around 9%. Encouragingly, these pay gaps are smaller than in previous years' surveys – the basic salary gap was around 20% in the past two years for example. However, unlike in past years it is not obvious from this year's survey that any of the remaining pay gap can be explained by relative under-representation of women in the higher-paying sectors. On the other hand, the average male survey respondent was around five years older than the average woman suggesting there may be a seniority effect. Unfortunately, the relatively small sample prevents us from drawing many conclusions about the state of gender pay inequality across the profession.