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# Diversity survey: Female and male pay and earnings

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December 2022

Costs Lawyer Standards Board

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**CLSB**  
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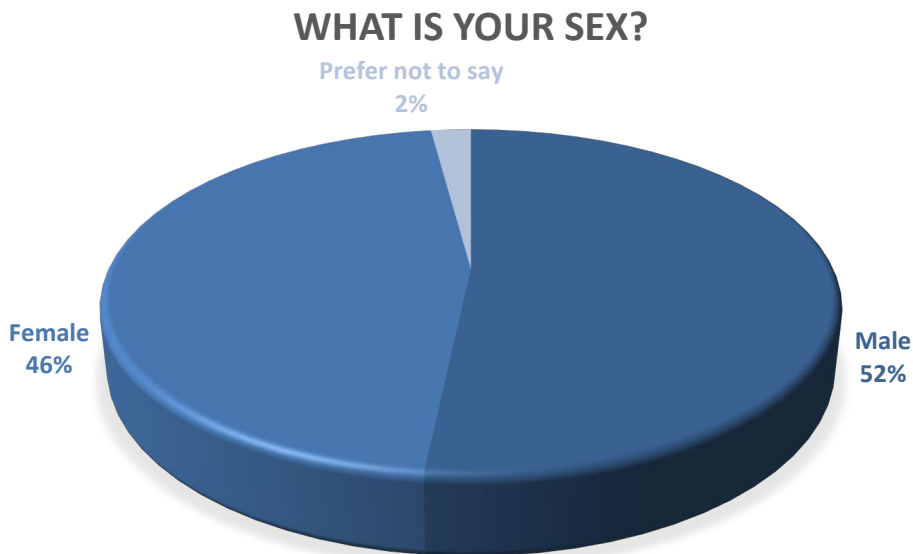
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The data in this document was collected in a survey carried out toward the end of 2021 as part of the annual practising certificate renewal process. It builds on our usual diversity surveys, which are carried out every three years, most recently in [2020](#).

We collect diversity data from practitioners on a voluntary basis and our questions include a 'prefer not to say' option for respondents. We had a good response rate, with over one-third of the profession (36%) or 240 Costs Lawyers participating.

This survey is the first time the CLSB has looked at the differences between female and male Costs Lawyers. We decided on this topic because it is important in itself, but also because it is a useful lens through which to start looking at pay and earnings, and we intend to build on this data in the future to look at how people progress through their careers as Costs Lawyers.

We have set out the key findings for each of the categories where we collected data.

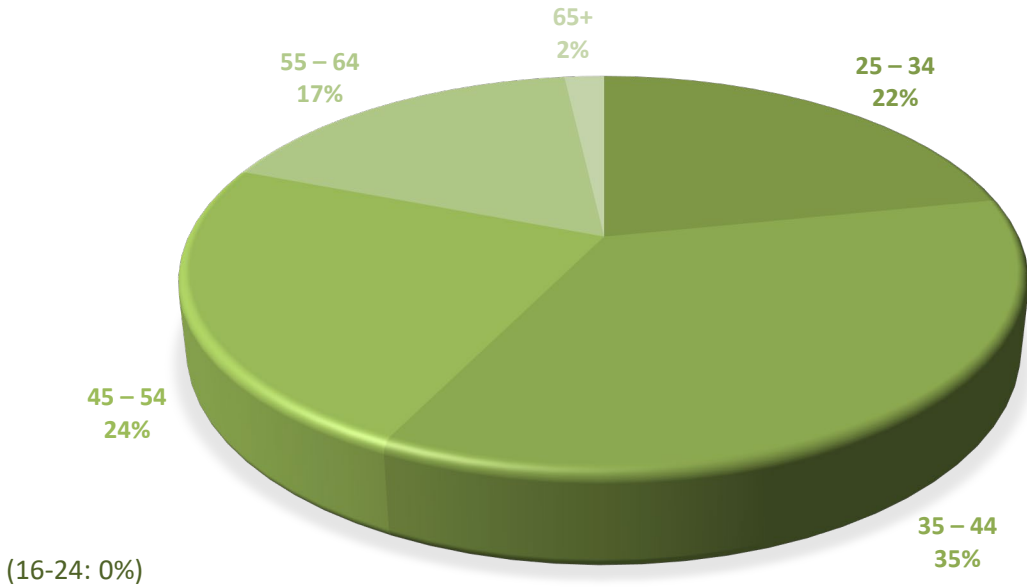


Other preferred description: 0%

46% of Costs Lawyers are female, according to our [2020](#) diversity survey, and the responses to this 2021 survey were in line with the previous result.

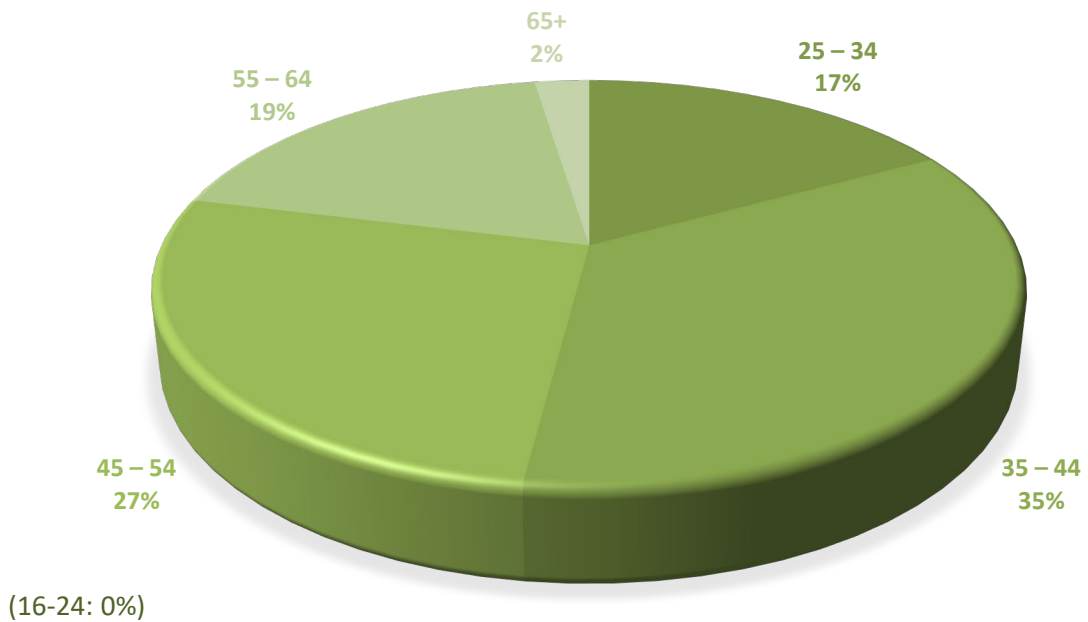
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## WHICH AGE CATEGORY ARE YOU IN? (FEMALE)



Female Costs Lawyers are slightly more likely to fall into a younger age category than male Costs Lawyers, with 22% of females falling into the 25 – 34 age category, compared to 17% of males.

## WHICH AGE CATEGORY ARE YOU IN? (MALE)



In 2021, female Costs Lawyers were more likely than male Costs Lawyers to experience a significant reduction in earnings, often due to maternity leave, but also sick leave or compassionate leave.

**In the last year, were your earnings significantly reduced due to (tick all that apply):**

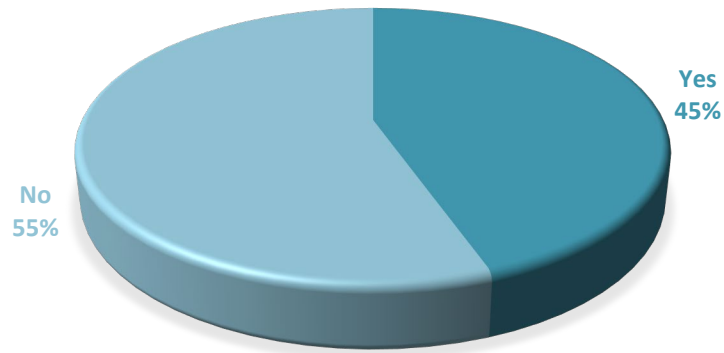
Reason	Female	Male
Maternity or paternity leave	8%	2%
Sick leave or compassionate leave	6%	1%
Coronavirus Job Retention Scheme (furlough)	6%	7%
Redundancy	1%	2%
Planned extended leave for personal reasons or education	0%	1%
Not applicable - my earnings were not reduced	74%	80%
Prefer not to say	2%	2%
Other (please specify)	8%	6%

In ‘other’, for both female and male Costs Lawyers, the reasons given most often related to the Covid-19 pandemic.

Male Costs Lawyers most often said they experienced a reduction in business, while female Cost Lawyers most often gave reasons relating to the need to home school children.

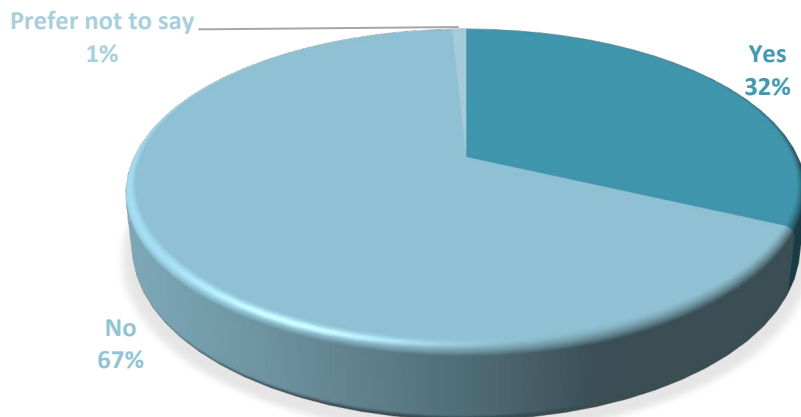
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### ARE YOU A PRIMARY CARER FOR A CHILD OR CHILDREN UNDER 18? (FEMALE)



Female Costs Lawyers are more likely than male Costs Lawyers to be a primary carer for a child or children under 18, with 45% of female Costs Lawyers and 32% of male Costs Lawyers saying they had these responsibilities.

### ARE YOU A PRIMARY CARER FOR A CHILD OR CHILDREN UNDER 18? (MALE)



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Female Costs Lawyers were, in 2021, less likely than male Costs Lawyers to work in London and the South East.

40% of male Costs Lawyers work in the South East or London, compared to 21% of female Costs Lawyers.

44% of female Costs Lawyers work in the North of England compared to 33% of male Costs Lawyers.

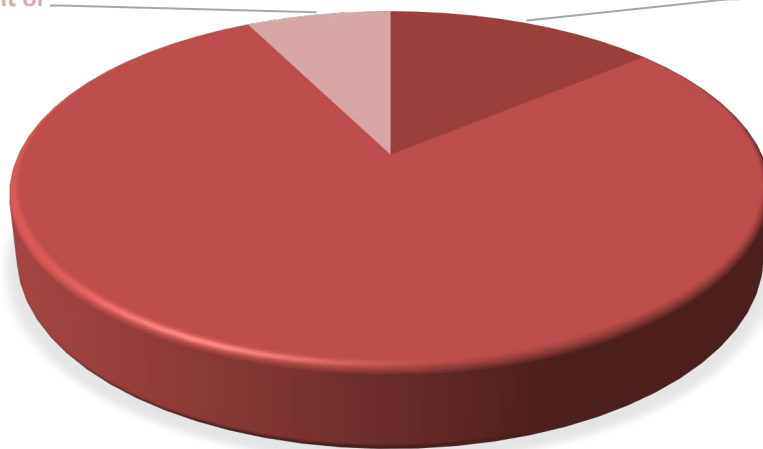
### **In the last year, in which region did you work?**

<b>Region</b>	<b>Female</b>	<b>Male</b>
North West	22%	26%
Yorkshire & Humber	22%	7%
South East	15%	23%
London	11%	17%
West Midlands	10%	5%
South West	7%	7%
East	4%	3%
East Midlands	4%	2%
Wales	2%	7%
North East	2%	2%
Other (please specify)	3%	0%
Prefer not to say	0%	1%

## WHAT BEST DESCRIBES YOUR EMPLOYMENT STATUS? (FEMALE)

The owner of a business employing other people (including a joint or co-owner)  
7%

Self employed or the owner of a business where you are the only employee  
14%



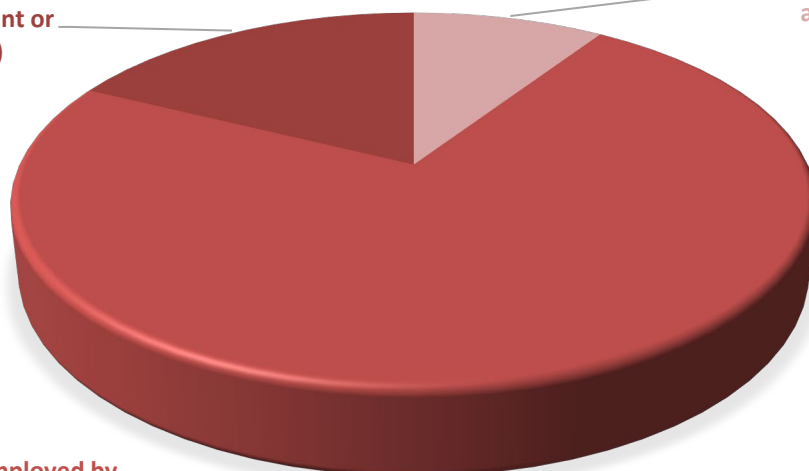
Employed by someone else  
79%

Female Costs Lawyers are less likely to be the owner of a business employing other people, with 7% of female Costs Lawyers describing themselves this way compared to 18% of male Costs Lawyers.

## WHAT BEST DESCRIBES YOUR EMPLOYMENT STATUS? (MALE)

The owner of a business employing other people (including a joint or co-owner)  
18%

Self employed or the owner of a business where you are the only employee  
9%



Employed by someone else  
73%

Our data shows that female Costs Lawyers earn less than male Costs Lawyers. See Annex 1 for a note detailing our calculations.

The average pay for female Costs Lawyers working full time is between 9% and 17% less than male Costs Lawyers working full time, depending on the region in which they work.

140 Costs Lawyers gave us a figure for gross pay and earnings: 75 females and 65 males. There was insufficient data for some regions to make comparisons.

**In the last year, what was your gross basic pay or earnings?  
People working full time as Costs Lawyers**

	Average full time gross earnings	Pay gap
<b>London</b>		
Female	£48443	17%
Male	£58214	
<b>North West</b>		
Female	£41951	15%
Male	£49333	
<b>South East</b>		
Female	£71818	9%
Male	£78909	
<b>Yorkshire &amp; Humber</b>		
Female	£37045	9%
Male	£40500	

In this question, pay or earnings included dividend payments and equity distributions, but excluded overtime payments, bonuses, salary sacrifices, employer pension contributions and benefits in kind.



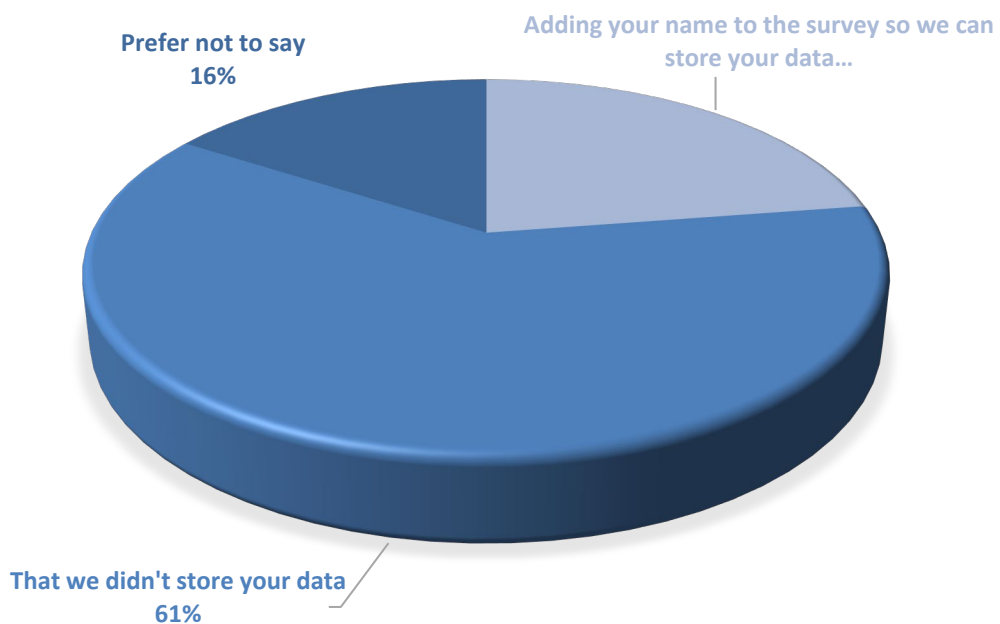
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The CLSB is seeking ways to improve its response rate for diversity surveys, and we included a question in this survey that explored whether Costs Lawyers would be happy for us to store their data, with the aim of making future surveys less time consuming to complete.

**The CLSB needs diversity data to fulfil its legal and regulatory responsibilities. We're considering how to run future diversity surveys to maximise responses. Surveys are likely to take place every 2 years.** Would you prefer:

1) adding your name to the survey so we can store your data (solely for diversity monitoring purposes), meaning you only need to tell us when things change; and

2) that we didn't store your data, meaning that you would answer the same or similar survey questions every 2 years.



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# Conclusion

On the face of it, this data shows a substantial gap in the pay between female and male Costs Lawyers. Whilst we appreciate there may be systemic issues outside of our control that could be causing this, in addition to a direct impact of the Covid-19 pandemic, it is important for us to explore this further. Equality in relation to pay is a priority for the CLSB and works towards meeting our regulatory objective as outlined in the Legal Services Act 2007 to *encourage an independent, strong, diverse and effective legal profession*.

To better understand our profession and to meet our regulatory duties, it is important that we have good quality data. This data collection exercise has provided us with a good foundation to improve and build on, which will inform our efforts in the future.

## Next steps

In creating a plan of action, our first step will be undertaking outreach activities with our regulated community to confirm our findings and to better understand the apparent pay gap.

Subject to that exercise, we will aim to:

- Collaborate with the Association of Cost Lawyers, the profession's representative body, to identify opportunities for joint working to address the findings in this report.
- Increase awareness of the findings of this report to highlight the potential barriers for women identified.
- Provide guidance to Costs Lawyers wanting to discuss pay with their employers.

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# Annex 1: Note on calculations

## Defining the pay gap

We asked Costs Lawyers to tell us what they earned excluding and including overtime payments, salary sacrifices, employer pension contributions and benefits in kind.

The data excluding these items was more comprehensive than the data including them, so this is the data we used to calculate pay gaps. One obvious improvement would be to also carry out calculations including these items.

We define the pay gap as follows.

Income = gross basic pay or earnings, including dividend payments and equity distributions, but EXCLUDING overtime payments, bonuses, salary sacrifices, employer pension contributions and benefits in kind.

Pay gap = (Average male income – Average female income) / Average male income, expressed as a percentage

## Data sample

143 Costs Lawyers gave us an answer to the question: In the last year, what was your gross basic pay or earnings, including dividend payments and equity distributions, but EXCLUDING overtime payments, bonuses, salary sacrifices, employer pension contributions and benefits in kind?

Three of these did not tell us whether they were male or female. Of the 140 Cost Lawyers that told us what they earned and told us whether they were male or female:

75 were female

65 were male

Of these, 52 females worked full time and 62 males worked full time (Sample A).

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We used data from full time workers, because our data on hours worked was not good enough to calculate hourly pay to establish a common base between part and full time workers.

The average pay for male full time workers in this sample was: £56,019.

The average pay for female full time workers in this sample was: £43,873.

The average pay gap between full time female workers and full time male workers in this sample is:

$$((£56019 - £43,873)/£56,019)*100 = 22\%$$

## **Exploring possible explanations for the pay gap**

### Excluding people with reduced earnings (Sample B)

Of the full time workers in our sample, 60 females and 50 males said there pay was not reduced due to (for example) maternity/paternity leave, a coronavirus job retention scheme, compassionate leave etc.

Excluding the workers who said their pay had been reduced, and excluding part time workers, gave the following results.

The average pay for male full time workers without reduced earnings in this sample was: £56,374.

The average pay for female full time workers without reduced earnings in this sample was: £44,987.

Which gives a pay gap of 20%.

### Including only people who are employed (Sample C)

Excluding people from Sample B who told us they were self employed or the owner of a business, and including only people who said they were employed by someone else, gave the following results.

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The average pay for male full time workers without reduced earnings and employed by someone else: £52,630.

The average pay for female full time workers without reduced earnings and employed by someone else: £41,459.

Which gives a pay gap of 21%.

Analysis by region (the results displayed on page 7 of this report)

Using Sample A, full time workers, the following pay gaps in each region were calculated (not all regions had sufficient data for us to do this).

London

Female: £48,443

Male: £58,214

Pay gap: 17%

North West

Female: £41,951

Male: £49,333

Pay gap: 15%

South East

Female: £71,818

Male: £78,909

Pay gap: 9%

Yorkshire and Humberside

Female: £37,045

Male: £40,500

Pay gap: 9%