



Report 2019

# UK GENDER PAY GAP

# INTRODUCTION



## AVERIL HAMILTON

Head of Human Resources, EMEA

A handwritten signature of Averil Hamilton in blue ink, written in a cursive style.

At T. Rowe Price, we are committed to creating, promoting and sustaining an inclusive workplace culture for all associates. We believe that diversity is crucial to our firm's success and, in order to build the diverse and inclusive firm we want to be, it starts with taking accountability, being transparent and learning from others inside and outside our industry.

We welcome the UK Government's gender pay gap reporting requirements. It has encouraged many UK businesses to take responsibility for addressing their pay and representation gaps.

We have seen a positive trend since we started reporting our gender pay gap data in 2018, but we know that there's still more work to do. Change can be slow, and we recognise that diversity and inclusion strategies should be enterprise-wide and integral to the way we do business. These strategies will help us support and develop our people, irrespective of age, gender, ethnicity, sexual orientation or any other personal characteristic.

The reasons for gender pay gaps are often multifaceted, and like many of our peers, we are faced with a legacy of the industry not attracting enough women. This does not deter us from continuing to push our diversity and inclusion agenda forward, recognising that change in our industry will take time.

We are committed to making T. Rowe Price an even better place to work for our associates. In doing so, this will help deliver the best for our associates, our clients and for the communities within which we operate.

In this report, we share our 2019 data and what we are doing to continue to narrow the gap. We confirm that the data reported are accurate.

Averil Hamilton  
**Head of Human Resources, EMEA**

# OUR COMMITMENT

We are committed to addressing the gender representation gap in our organisation. Through our firmwide diversity and inclusion strategy, we seek to bring more women into leadership positions through internal development opportunities, promotions and recruitment.

Here are the highlights since our last report:

## Talent Acquisition and Development

As a firm, we continue to maintain an enterprise-wide goal to ensure at least 30% of interviewees for senior roles are diverse. In 2019, 34% of those interviewed for senior roles were female, and 33% of new senior role hires were female. This has positively impacted the overall percentage of women in senior roles (27%) and is the fourth consecutive year that we've increased this figure. Overall representation of women at the firm remained steady at 44%.

In 2019, half of our promotions into senior roles in the UK were women. In the UK, 39% of our workforce is female, and 23% of our senior roles are held by women. While the percentage of women in our UK workforce has remained relatively steady over the past five years, we've grown the percentage of women in senior roles from 18% to 24% as of the end of 2019.

We're actively promoting asset management careers to young women through our community outreach programmes. These programmes are centered on raising aspirations, creating professional role models and opening doors to young people in our local community. Through our youth development programmes, we partner with girls' schools in East London and have held career days, coding sessions and workshops on female empowerment. Our London apprenticeship scheme and

community work experience programmes provide employment opportunities to talented people from diverse backgrounds.

In London in 2019, we received 1,905 applications from prospective summer interns for investment roles, with 31% of those coming from women. This represented an increase of 101 female applicants. We hired six summer interns, which improved our gender diversity from 33% in 2018 to 50% women in 2019. We then converted all the interns into full-time hires, further making inroads for increased female representation. Our goal was to encourage a diverse range of university students to apply for internship and entry-level positions within our investment teams. These recruitment strategies complement our business-led programmes.



# OUR COMMITMENT

## Business-Led Programmes

Our representation gap is most pronounced in our sales and investments business, and we have developed specific initiatives designed to address the particular needs and priorities of women building careers in these areas.

### Women in Investments

In 2019, we launched the Women in Investments initiative, designed to address the needs and priorities of women building careers in investments. After in-depth, employee-focused research, we selected three key areas that complement our existing investment recruiting programmes:

- **Training and education for leaders** – Educational and awareness programmes to equip our people leaders with the skills and education to drive change through effective people management. Initiatives include helping managers understand diversity and inclusion goals, training to aid better career development conversations and coaching to embed good diversity practice into their business.
- **Smart Working** – Develop consistent flexible working practices for everyone to support better work/life balance.
- **Role Models** – Promoting and supporting visibility of senior leaders who are advocates and champions of gender equity to help build a network for junior associates.

### Women in Sales

Launched last year, our Women in Sales initiative has been successful. Composed of sales associates from our locations around world, the initiative is headquartered in London and focuses on five areas of greatest need:

- **Return to Work Programme** – Encourages women who have had a career break to return to work—with us.
- **Role Model Series** – Creates a network for current and future employees.
- **Debunking the Myth** – An educational and awareness programme to identify and address the perceptions and barriers specific to women in investment sales, which has increased female interest in a sales career.
- **Mentoring Programme** – An experiential programme for women who are not currently in sales roles but would like to learn more, which has widened our candidate talent pool.
- **Talent Programme** – A career development programme to support current saleswomen and new joiners who may have backgrounds that aren't typical of sales, which has increased diversity by gender, as well as skillset.

# OUR COMMITMENT

## Regional Programmes

### 30% Club Cross-Company Mentoring Scheme

We're proud to be part of the 30% Club mentoring scheme, an award-winning social enterprise specialising in promoting gender equality through a network of women and men in top positions. The scheme places women at mid-career with a senior male or female leader for one-to-one mentoring outside their organisation, and often outside their industry. We currently have 20 mentees and mentors from the firm benefiting from the scheme.

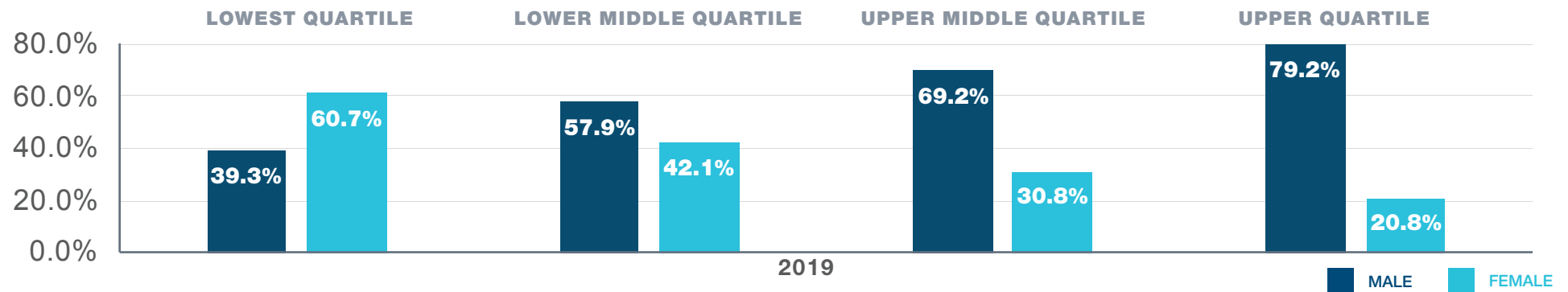
### WAVE – Our resource group for women and their male advocates

To foster an inclusive and respectful workplace, our associate-led business resource groups help to maintain a collaborative culture by providing networking and career development opportunities. Supporting the firm's ability to attract, develop, advance and retain women, WAVE provides mentoring, education and networking opportunities for women and men at T. Rowe Price. Open to everyone, the group also provides recommendations and feedback to our leaders, in support of promoting women's advancement at the firm.



# OUR DATA

## Pay Quartiles



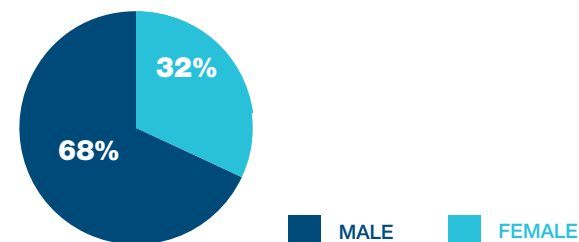
The above graphic illustrates the gender distribution at T. Rowe Price in the UK across four equally sized pay quartiles. As the image shows, whilst we have a large proportion of women in the lowest pay quartile, we have less female representation at senior levels. This difference in distribution across the pay quartiles—with fewer women in senior and other roles that provide the highest compensation—is the key driver of our gender pay gap. We are focused on improving diverse representation in our investment, sales and senior management roles and have key diversity and inclusion initiatives designed to tackle our representation gaps.

## Gender Breakdown by Role Type

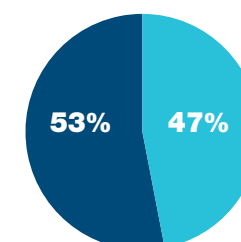
These graphics illustrate the gender distribution across different business segments and roles. As the data show, we have less female representation in our investment and sales roles. These roles typically tend to have higher levels of pay than other roles.

Our London-based associate population is more concentrated on investment and sales professionals and therefore may indicate a higher gender pay gap than other firms with a broader associate population in their UK entities.

INVESTMENT AND SALES ROLES (245)



ALL OTHER (182)



# OUR DATA

## Pay and Bonus Gap

The table below reflects our overall mean and median gender pay gap and bonus gap for the reporting period. The mean hourly pay gap is the difference in average hourly rates of pay of men and women. The median hourly pay gap shows the difference in the midpoints of the ranges of hourly pay rates for men and women. Similarly, the mean and median bonus pay gap numbers show the differences in average bonus pay and in the midpoints of the ranges of bonus pay between men and women, respectively.

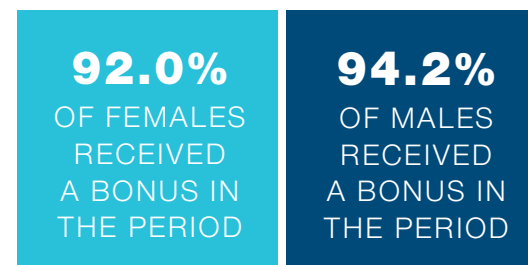
	MEAN	MEDIAN
HOURLY PAY GAP	30.2%	33.8%
BONUS PAY GAP	71.9%	63.5%

## Hourly Pay Gap by Quartile

	LOWEST QUARTILE	LOWER MIDDLE QUARTILE	UPPER MIDDLE QUARTILE	HIGHEST QUARTILE
MEAN	-5.5%	1.9%	2.4%	4.2%
MEDIAN	1.7%	1.0%	3.9%	8.0%

As illustrated in the pay gap by quartile table above, the pay gap in the highest quartile is the key factor behind our overall pay gap. In the other three quartiles, the pay gap is either significantly below our overall pay gap or we have a negative pay gap (average pay for women is higher than the average pay for men).

## Proportion of Associates Awarded a Bonus



There is a 2.2 percentage point difference between the number of men and women who were paid a bonus in the year to 5 April 2019. This difference was impacted by a similar number of males and females who were hired during the fourth quarter of our financial year—making them ineligible to receive a bonus payment under our bonus scheme rules—and, overall, having more males than females in the UK.

# CLOSING QUOTE

There is no reason why the **workforce of the future**, in all organisations, should not reflect the **diversity of the communities** in which we operate. We have developed initiatives across the firm aimed at improving the diversity of our workforce and **creating a path for women** into asset management, especially into **leadership roles**. This is a priority for us. We acknowledge the deficit of women at senior levels and have a number of **strategic, long-term** initiatives to mitigate this gap. Addressing the representation gap in asset management will take time. But we've made progress and will continue to forge a path for women at T. Rowe Price.”

Averil Hamilton

**Head of Human Resources, EMEA**





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