

# City HR Compensation Forum

## 25 April 2023

- City Pay & Benefits Survey Participants
  - London focused
  - Smaller to medium-sized FS organisations
  - Commercial & Investment Banks
  - Private Banks & Wealth Management Companies
  - Fund/Asset Management Companies
  - Other Financial Sector

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# Pay Reviews 2022

- Energy crisis & cost of living increases started to hit in the 2<sup>nd</sup> & 3<sup>rd</sup> quarters

Source: City Pay Survey 2022:

- Median Increase for reviews Jan - April 2022: 3.3%
- Median Increase for reviews May – Oct 2022: 4.5%
- Median Increase for 2022 overall: 4.2%

Double that reported by the CPA survey in 2021: 2.2%

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# Pay Market Challenges 2022

- Increasing cost of living pressures
- Employee feedback – more concern expressed over financial issues and value of package
- Retention and recruitment issues
- Impact of pay market pressures particularly in
  - Risk, Control, Compliance, Finance, IT, Junior Talent, Specialist roles in back office

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# Response to Pay Pressures

- Interim Increases for key individuals, teams or functions
- Across the Board Pay Reviews
  - Off-Cycle
  - Early implementation
- One-off Cost of Living Allowances
- Increased Emphasis on Employee Value Proposition
  - Improved Employee Assistance & Well-being programmes
  - Flexible & Hybrid Working
  - Loans & Financial Assistance

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# 2023 Pay Reviews

- Inflationary pressures continue to be a challenge
- Ongoing retention & recruitment difficulties
- Reviews Implemented in 1<sup>st</sup> quarter 2023
  - A wide range from 3 to 10%
  - Median base pay increase (so far reported): **7.3%**