



Gender Pay Gap Report

2021

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Belonging is at the centre of what makes us N Family Club, so much so that **Playing as a Team** is one of our core values. We also hold ourselves to account by having **Team Happiness** as one of our three Wildly Important Goals. Team happiness and belonging are intrinsic to the success of our business. As N navigates exponential growth, we need to be agile and are constantly evolving our practice, processes and thinking to ensure that we are doing the right thing by our people and families.

We are committed to getting it right on equal worth as it is an essential part of a fair and inclusive workplace, and we are confident that men and women are paid equally for doing equivalent jobs across our teams. The gender pay gap is different to this. It is the average difference between pay for men and women, expressed relative to men's earnings. It gives an indication as to whether men and women are equally distributed across levels of seniority.

This report is based on data from April 2021, when there were just over 400 people in the N Family team. Current Gender Pay Gap reporting guidelines require gender to be reported in a binary way, recognising only men and women. At N, we recognise that there are many people who do not fit into these binary categories and are also aware that some people's gender identity does not align with the sex they were assigned at birth.

N's own diversity data collection process ensures that team members can accurately and authentically select their gender identity. We want our team to feel comfortable to bring their whole self to work and we hope in the future to see regulated pay gap reporting recognising trans and non-binary team members too. Until that day comes, we are required to report within the regulatory guidelines.

The Results

We calculated the difference in the average hourly pay rate between women and men at N Family Club and found that our median hourly gender pay gap is **3.0%** and our mean hourly pay gap is **41.1%**, both in favour of men.

There is a **0.0%** median difference in bonus payments but **9.9%** mean difference in favour of men.

What do the “median” and “mean” measure?

The median gender pay gap shows the difference in pay between the middle man and middle woman, if you lined everyone’s wages up from lowest to highest. Ours is **3.0%** which means our middle man was paid an hourly rate **3.0%** higher than the middle woman. We are very pleased that this is significantly better than the UK average position which is **15.7%**.

The mean gender pay gap is different. It calculates the average pay of all men at N Family Club and compares it with the average pay of all women at N Family Club. The result can vary a lot from the median because very high or low rates of hourly pay can skew the results. As is common in our sector, we have more men in high earning, leadership positions than we have as Educators, so they don’t balance out.

Gender Pay Gap

Median
3%



Mean
41.1%



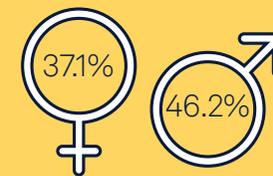
Gender Bonus Gap

Median
0%

Mean
9.9%



Proportion of team receiving 2021 bonus:



The Results

While our salary bandings and regular performance reviews ensure that we have no significant pay differences between any individuals performing in the same roles, the gender percentage gaps we are seeing are mainly driven by a lack of representation of men in Educator positions.

The gap is shown most clearly when you look at our pay quartiles. To create these pay quartiles, we have listed the salary of every team member in order and then split the list into four equal parts. Salaries increase from the lower quartile through to the upper quartile.

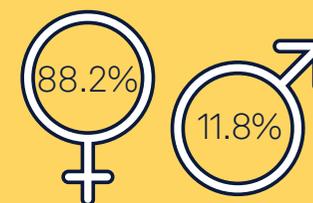
The reasons for this are plentiful:

- Across the UK, the early years workforce is female dominated, which naturally flows through to our recruitment as we open more nurseries;
- Whilst the number of women in management and leadership roles has increased, the proportion of men in senior positions relative to those in the nurseries dilutes the impact.

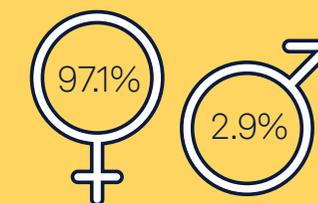
At N we've created a bonus structure that celebrates our successes, and motivates our teams to deliver at the highest level. Whilst bonuses are available to all; some departments have performance-related bonuses that make up a substantial portion of their overall wage. A significant number of men work in these departments and were therefore eligible for these bonuses, which disproportionately skewed our results.

Pay quartiles

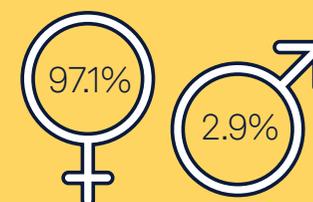
Upper Quartile



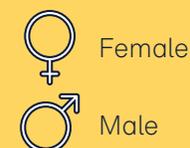
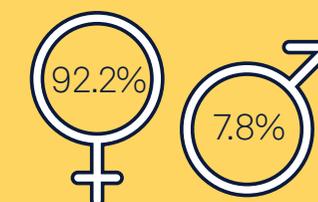
Upper Middle Quartile



Lower Middle Quartile



Lower Quartile



What are we going to do about it?

While we acknowledge these systematic and sector challenges, we can always do better. At N, we celebrate our successes with women in leadership positions and are working hard to encourage more men into Educator roles through our engagement with MITEY (Men in the Early Years).

To ensure that we make progress in this area, we are:

- Working to drive equity into every stage of the hiring process;
- Evolving our strategy to attract candidates without prior sector experience to view early years as an exciting career choice regardless of gender;
- Increasing our engagement with organisations that champion men in the early years, particularly at an educational level;
- Ensuring that all team members are aware of the flexible working options available to them at N, including our newly launched N-Flex approach to full time hours;
- Increasing apprenticeship opportunities at N, whether this be for our Education teams, Operational teams or Support Office;
- Amplifying and empowering our Nursery Reps and Listening Forums to harness the importance of intersectionality and addressing concerns of marginalised groups;
- Using the insights from our Listening Forums, Belonging Survey and regular Happiness Surveys to help us better understand our people.

In 2021 we:

- ✓ Provided care and education to almost 1500 children;
- ✓ Delivered industry leading salaries, bonuses and benefits;
- ✓ Launched our N Academy with a focus on individual development;
- ✓ Celebrated having one of the happiest and most diverse teams in the market;
- ✓ Grew our permanent team by 200 people and added 160 roles to our bank team.

...All amazing signs that we're progressing in our vision to become the highest quality and most loved early education group in the UK.

2021 was a year of significant growth for N Family Club and we recognise that none of our achievements would have been possible without an outstanding team making it happen. This business growth comes with the privileges of being able to offer enhanced benefits and bringing in amazing new talent to the team.

This report is a first step in our ambition to fully show how equal worth is realised throughout N. 2022 has lots in store for our people – refreshed pay bands, the Real Living Wage, amazing benefits and our N-Flex offer.

We know that to prepare children for life in the modern world, we need an outstanding team – one that reflects the world around us and is embedded in a culture of belonging. We'll continue to hold true to these beliefs and work hard to increase representation across N Family Club.

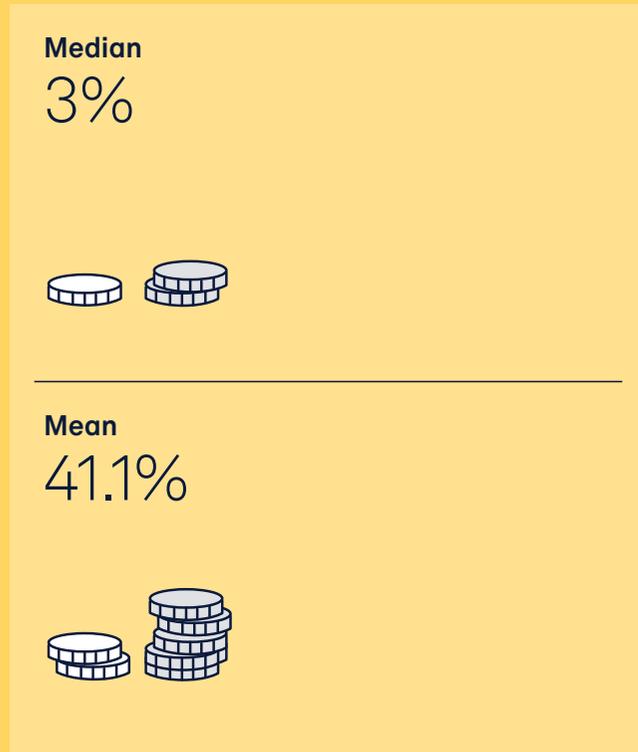
We'd love to hear from you if you have any feedback on this report.

impact@nfamilyclub.com

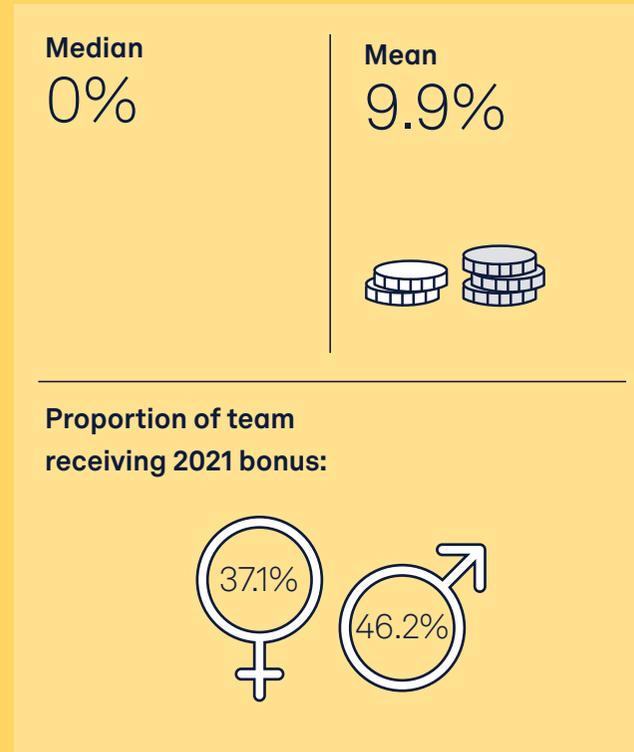


Results Overview

Gender Pay Gap 2021

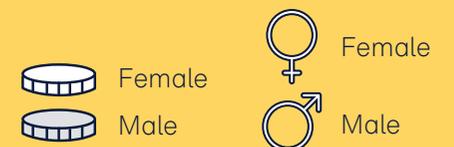
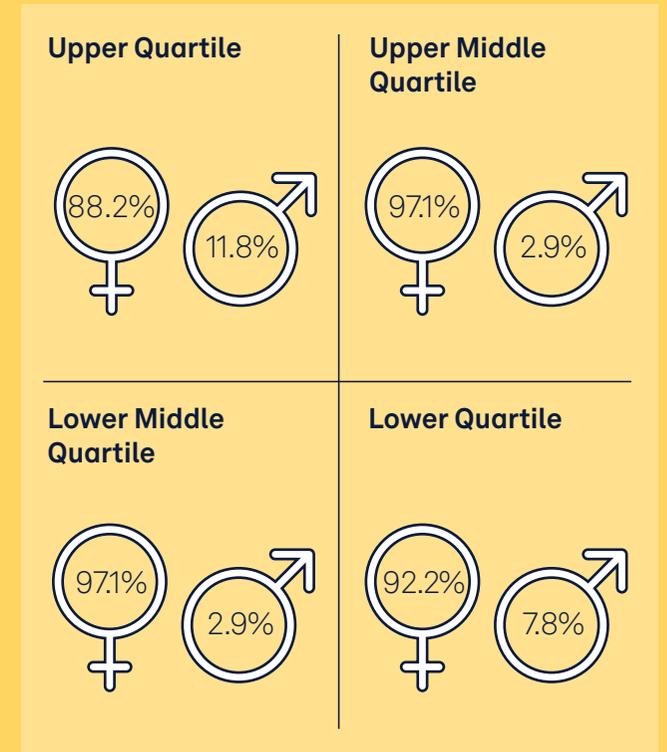


Gender Bonus Gap 2021



Pay quartiles 2021

(proportion of males and females in each pay quartile)



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