

21046 Top UK bosses are paid 115 times more than average worker, analysis finds

Rupert Neate, Wealth correspondent, *The Guardian*, Wednesday 6th January 2021

Bosses of top British companies will have made more money by teatime on Wednesday than the average UK worker will earn in the entire year, according to an independent analysis of the vast gap in pay between chief executives and everyone else.

The chief executives of FTSE 100 companies are paid a median average of £3.6m a year, which works out at 115 times the £31,461 collected by full-time UK workers on average.

On an hourly basis the bosses earned more by 5.30pm on Wednesday 6 January than the average worker will pick up across the whole of 2021.

Warren Kenny, acting general secretary of the GMB union which represents more than 600,000 workers, said: “These repugnant figures expose the sheer scale of inequality and exploitation in the workplace. The workers who have made heroic sacrifices to keep society together during the coronavirus outbreak deserve better – it is time for corporate leaders, shareholders and politicians to wake up and take action.”

The general secretary of the TUC said that this “tells you everything you need to know about how unfair our economy is. Our army of minimum wage workers – carers, shop assistants and delivery drivers – have kept the country going through the pandemic. Not these CEO’s at the top raking in far more than their share. If the government is serious about levelling up Britain, it needs to start by levelling up pay and conditions for those we most rely on, and stop the threat to freeze key workers’ pay.”

The online supermarket Ocado has been singled out as having the biggest pay gap between those at the top and those on the shop floor.

Its chief executive was paid £58.7m in 2019, which works out at 2,605 times the £22,500 paid to the online grocery delivery company’s staff on average. This means he was paid about 10 times as much as the average Ocado worker’s annual salary for just one day’s work.

Chief executive pay levels remained essentially flat over the past year, while pay for UK workers had increased slightly. This means that CEOs have to work 34 hours of the year to surpass median earnings, rather than just 33 hours in 2020.

This equates to hourly pay of £941 an hour. It would take a worker on the full minimum wage rate of £8.72 an hour 212 years to earn the same as the average CEO earns in a year.