



TUDOR RESEARCH

DIVERGENCES WITHIN DIVERSITY

Comparing Gender Diversity within London's Private Equity and M&A Law Sectors

Overview

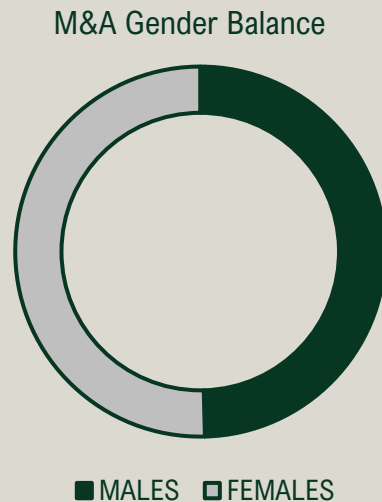
This report highlights the differences in gender hiring practices between London's top private equity firms and its largest law firms, particularly focusing on those practicing within the field of mergers and acquisitions (M&A). It similarly seeks to indicate how these trends have developed over time in such a way that allows us to establish where the respective industries are heading on gender diversity, and to provide information concerning what should be encouraged to further improve gender diversity within sectors traditionally dominated by male employees.

Methodology

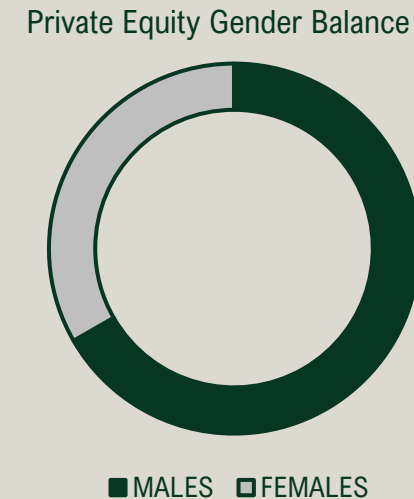
Our researchers examined both the professional and educational backgrounds of over 250 junior private equity investors, a label which we determined to be those in the first 15 years of their career. This process was then replicated for lawyers practicing law in the realm of M&A, specifically those who were below partner level, which amounted to more than 500 employees. The difference in numbers is naturally reflective of the sizes and exclusivity of the corresponding industries, yet still maintained a large breadth for comparative data analysis.

Findings

For London's M&A employees, the overall employment parity between male and female was significantly more balanced than the private equity sector. In numerical terms we found that 257 of the 518 analysed profiles were male, while 261 were female. In percentage terms this equates to a gender balance of 49.6% to 50.4% respectively. Comparatively, in private equity we found that 180 of the analysed 270 investors were male, while only 90 were female. This represents a 66.6% to 33.3% split, which is indicative of the more general progress that the London private equity space still must make in terms of achieving a level of gender diversity more comparable to that seen in the legal arena.

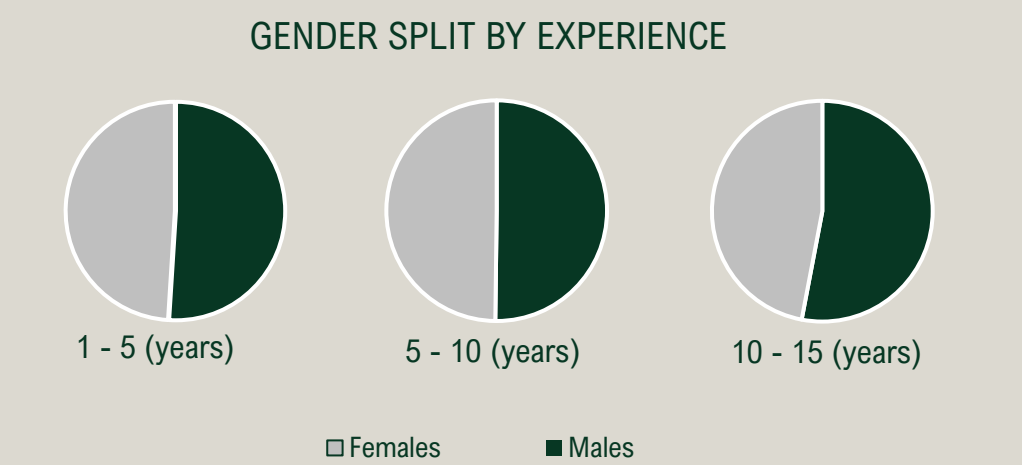


From these totals we then explored those with comprehensive available data to outline some more specific differences between the two sectors. For private equity investors this represented 264 employees, and for the lawyers it was 466. These differences were centralised around two broad metrics; how gender parity has developed when considering years of experience, as well as looking at the junior training and educational backgrounds of male and female employees. These findings are useful, particularly in terms of demonstrating from which backgrounds firms, both private equity and law, are more likely to hire employees of either gender. Similarly, how gender diversity has developed is indicative of steps that industries have taken thus far in their attempts to attain a more gender equal workforce.

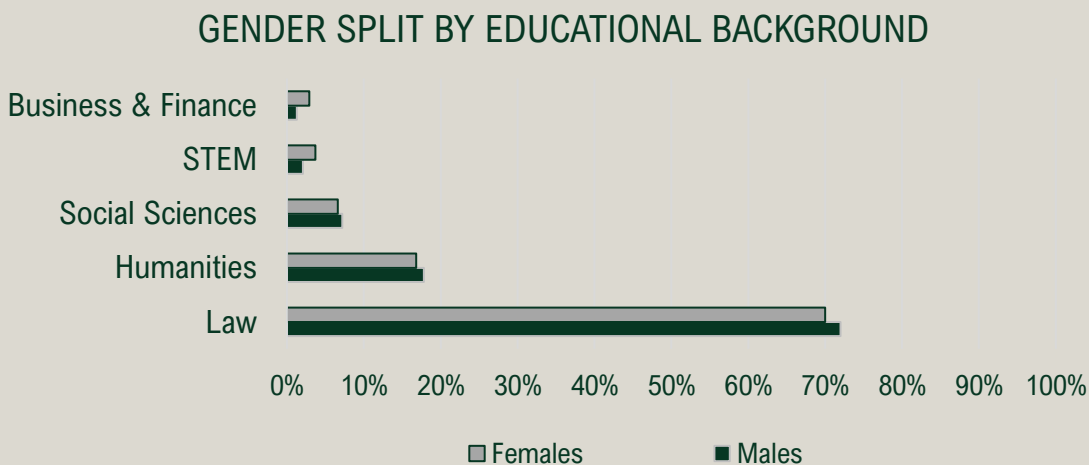


Legal

Within London’s legal sector, the levels of gender diversity are relatively consistent throughout employees with differing lengths of work experience. We categorised the lawyers into three groups, those with up to 5 years work experience, those with between 5 and 10, and those with between 10 and 15 years. Whilst the balance swings slightly towards there being more male employees within more mature employees, the division remains far more equal than London’s private equity sector. This consistency further indicates that gender diversity within employment has been a central consideration in the minds of London’s top law firms for many years now.



Alongside an analysis of employee backgrounds categorised by time, we sought to examine from which educational backgrounds London’s most prestigious firms hire. We initially compared those who studied law against those who did not, again looking at the gender division. 72% of male employees came from an educational legal background, compared to 28% who did not. For female employees, these numbers were 70% and 30% respectively. Whilst these divisions are largely comparable, we found that female legal employees were able to enter law from an educational background in STEM subjects or business-related degrees at a higher rate than their male counterparts.

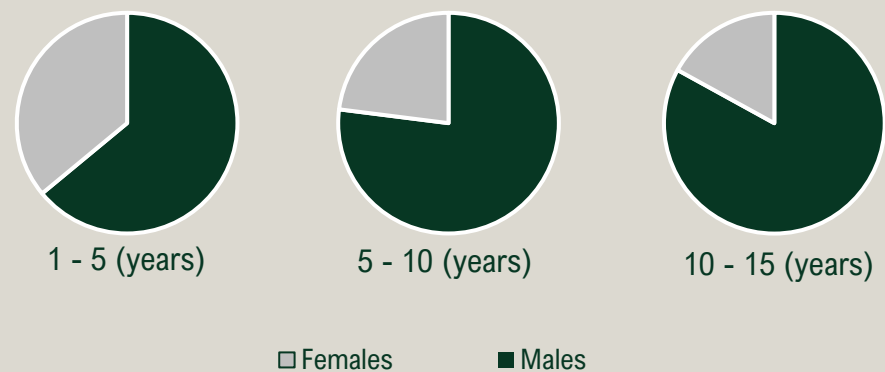


Private Equity

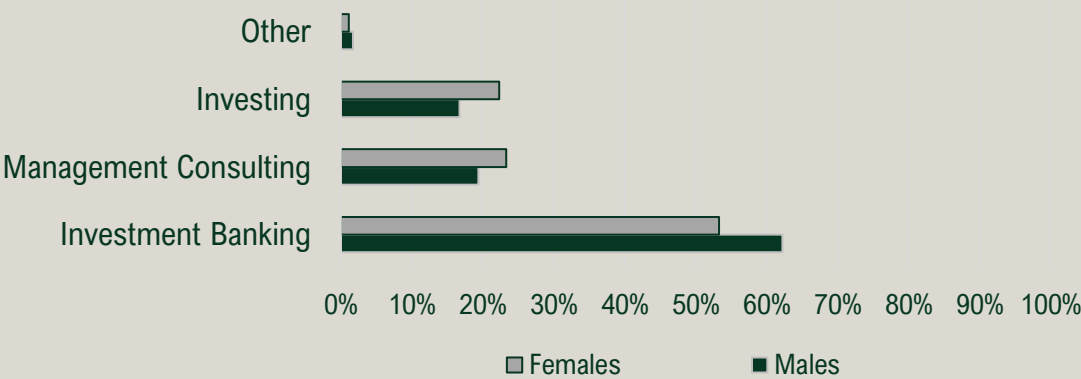
London’s private equity sector has a far greater level of gender inequality, and this pattern is replicated and even embedded as we examined those who have been employed in the sector for a longer period. We replicated the same categories for our analysis as with the legal sector, which generated the results displayed below. These breakdowns appear to suggest that whilst firms may have been making concerted efforts to equalise the number of their male and female employees, and whilst there has been tangible progress between the most recent category and those working in the industry for longer, there is still a long way to go to reach the levels already attained for lawyers practicing M&A law in London.

To analyse the different employment backgrounds from which private equity investors entered the sector, we established four categories which consisted of those with prior positions in investing, management consulting, investment banking, and other position-types. The data is visualised below and reveals that not only are females hired from a more diverse variety of professional backgrounds, but that females were hired from management consulting and investing backgrounds compared to investment banking at a division of 46% compared to 54%, whereas for their male counterparts we found only 37% from management consulting and investing backgrounds when compared to 63% from investment banking.

GENDER SPLIT BY EXPERIENCE



GENDER SPLIT BY EDUCATIONAL BACKGROUND



Closing Remarks

This analysis has revealed comparisons between London's private equity sector and its legal M&A sector, specifically demonstrating how the former has much ground to make up on the latter in terms of its gender equality hiring practices. It has similarly revealed the ways in which prospective female employees in private equity, as well as to a lesser extent in law, are able to enter these sectors from more varied professional or educational backgrounds.

This trend represents one way in which firms have increase the number of female employees they hire, consequently taking steps towards a greater level of gender diversity within each sector.

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