ROYAL STATISTICAL SOCIETY
DATA | EVIDENCE | DECISIONS

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Sent by email

7 September 2026

Dear Minister,

Equality (Race and Disability) Bill – Royal Statistical Society concerns

We are writing following the outcome of the consultation on the Equality (Race and Disability) Bill, on mandatory ethnicity and disability pay gap reporting.

While we understand and support the motivation for seeking to extend pay gap reporting to ethnicity and disability, we are concerned that there are specific challenges with ethnicity and disability data reporting which have not been acknowledged in the consultation. We detailed these concerns in our response but believe that they are important enough to be repeated. As we are sure you will agree, information based on flawed methodology can be misleading and lead to wrong conclusions and poorer outcomes for those it is intended to help.

The proposals as they stand call for separate reports on pay gaps, workforce composition and declaration rates. Reporting in this way risks hiding important trends and could lead to perverse outcomes. For example, an organisation which employs more disabled people is likely to have a larger disability pay gap. It is essential that reporting requirements do not incentivise the employment of fewer disabled people as a way to improve an organisation's pay gap statistics.

We also strongly advise against attempting to achieve like for like comparisons between organisations as these will be highly influenced by factors such as local demographic and industry/sector type. I have attached an annex, where this is explained in more detail.

As the membership society for statisticians, we are also concerned that results based on very small sample sizes may be published, which again can lead to misleading conclusions being drawn.

The annex includes three recommendations which we believe would enhance this area of work. I would be pleased to discuss these points further with either yourself or your team, to bring statistical expertise to bear on the design of the reporting, to ensure that it meaningfully supports the Government's objective of advancing equality in the workplace.

Yours sincerely,

S. Cumbers

Dr Sarah Cumbers
Chief Executive

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Annex: Statistical recommendations on pay gap reporting

Recommendation 1: Ethnicity and disability pay gap reporting should be integrated rather than as separate reports which could be misleading and lead to perverse incentives. The reporting should take the form of pay quarter breakdowns for a minimum of three categories, including a category of 'Unknown' for those who do not share their ethnicity or disability. This would provide more useful information about pay across an organisation's pay scale and could encourage organisations to adopt measures aimed at making continuous improvements towards their specific equality goals.

Recommendation 2: We strongly caution against the use of league tables, or any other form of direct comparison of organisations' pay gaps. While we agree that organisations should undertake ethnicity and disability pay gap reporting, the aim should not be to achieve like-for-like comparisons between organisations. Any such comparisons would, in our view, be unproductive due to variation based on factors such as local demographics and industry or sector. There are some sectors, for example in academia, where the priority is likely to be increasing black participation in the workforce, with reducing the pay gap a longer-term objective. Only with greater workforce participation are more black employees likely to undertake the training required and gain the necessary experience to enter the upper pay quarters and increase the pay of the median black employee in academia. This progress will take time; hiring more black employees may initially widen the pay gap, as new recruits are likely to enter at lower pay levels and reduce the pay of the median black employee. We have seen repeatedly that perverse incentives arise when league tables or similar comparisons are introduced and would caution against them in this context.

Recommendation 3: We believe that employer calculations based on categories of employees with less than 50 people should not be published in the public domain. Where sample sizes are small, explanations should be published alongside figures in order to contextualise insights.