

MOVEMEON

PAYING CONSULTANTS & ALUMNI

How much are current & former consultants paid?

2019

A teal graphic element consisting of a large triangle pointing upwards and to the right, with a white border. The word "MOVEMEON" is written in white, uppercase letters within the teal area.

MOVEMEON

FOREWORD

MOVEMEON is an exclusive community for consultants, consulting alumni and freelance consultants – used by ~33,000 members. MMO was founded by McKinsey consultants following frustrations with traditional recruitment agencies. At MMO, we're on a mission to provide consultants and alumni with the best experience for career exploration, and employers with the best experience for hiring.

Movemeon is the largest dedicated channel for hiring people who started their career in consulting. Our website – [movemeon.com](https://www.movemeon.com) – provides 2,200+ employers with a curated platform through which to share their job opportunities with these candidates, even when they're not actively looking.

We are asked about pay almost every day. This prompted us to release our first salary report in 2018. Due to the overwhelming popularity of this report with both candidates & employers, we've refreshed all its findings for 2019, based on 22,538* new responses.

We hope that this content helps you make more informed career and hiring decisions. If you would like to speak to us regarding the information in this report, or Movemeon in general, please email info@movemeon.com.

NOTES:

*Further information on our data quantity and sources, and definitions for commonly used terms, are available at the end of the report.

The information in this report is proprietary. Please do not re-produce it without the permission of Movemeon. Thank you.

2018 ON MOVEMEON - OUR NUMBERS

ROLES POSTED

Start ups

459

Corporates

311

Consultancies

262

A SAMPLE OF OUR CLIENTS



Want to know more about hiring with us? [Click here](#)

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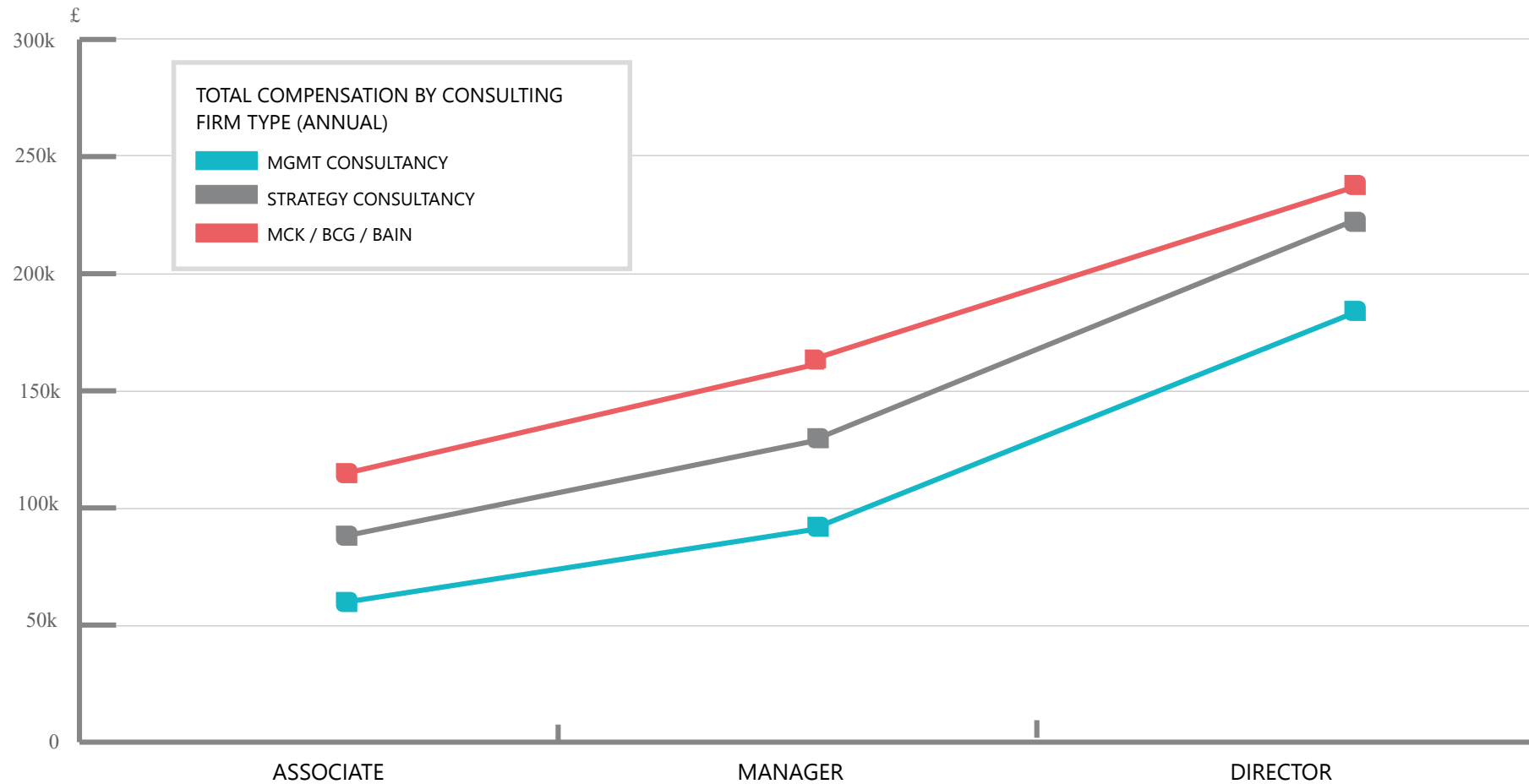
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PAY PROGRESSION – STAYING IN CONSULTING



PAY PROGRESSION – STAYING IN CONSULTING

What do average earnings look like & how do they vary by consulting firm?

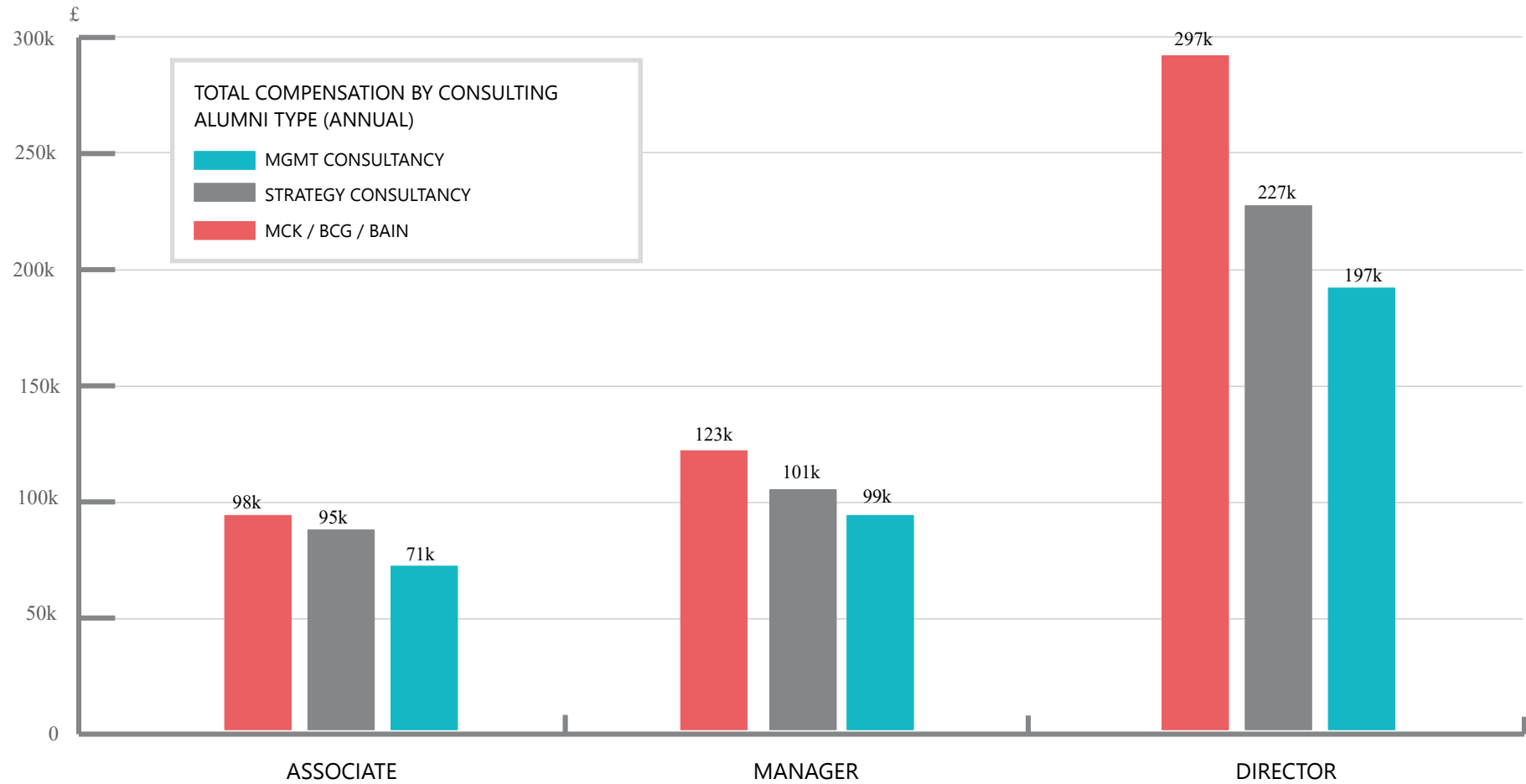
Earnings are on average £55-224k from Senior Analyst up to Director and above, depending on the consulting firm.

McKinsey, Bain and BCG [MBB] employees are paid, on average, a 16% premium over consultants working in other strategy consultancies. This premium is smaller than in previous years, as pay in strategy consultancies appears to be catching up with, and in some cases exceeding, MBB earnings at all levels.

MBB PREMIUM VS STRATEGY
CONSULTANCY



PAY PROGRESSION – ON LEAVING CONSULTING



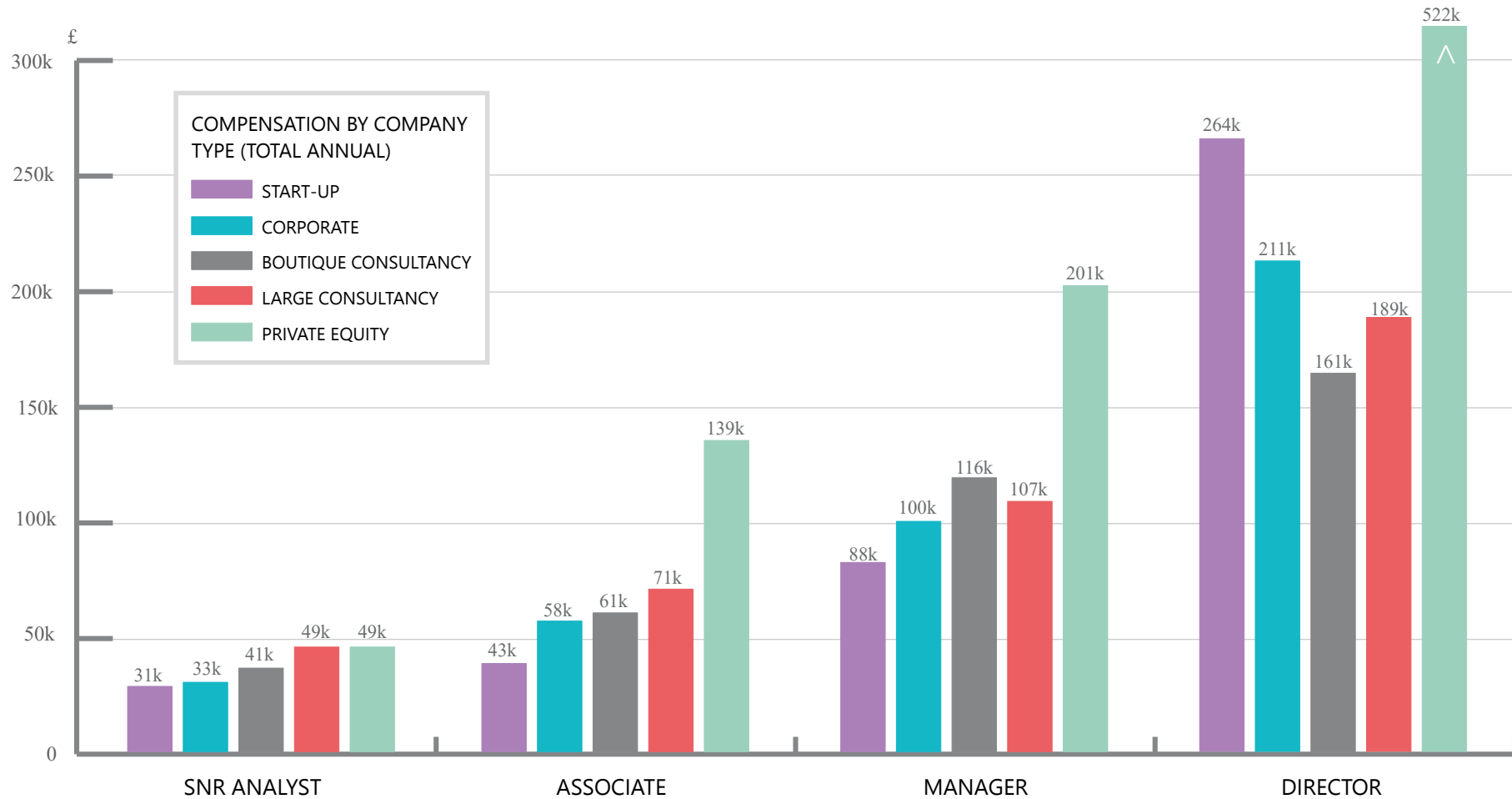
PAY PROGRESSION – ON LEAVING CONSULTING

Do certain alumni continue to command a premium even after leaving consulting?

Yes, on average. McKinsey, Bain and BCG alumni command a premium and strategy consulting alumni are more highly compensated than their management consulting peers.

Typically, McKinsey, Bain and BCG consultants have stronger salary progression within consulting, while alumni from other Management consultancies tend to have better salary prospects in industry in the long term.

PAY PROGRESSION – STAYING VS. LEAVING



PAY PROGRESSION – STAYING VS. LEAVING

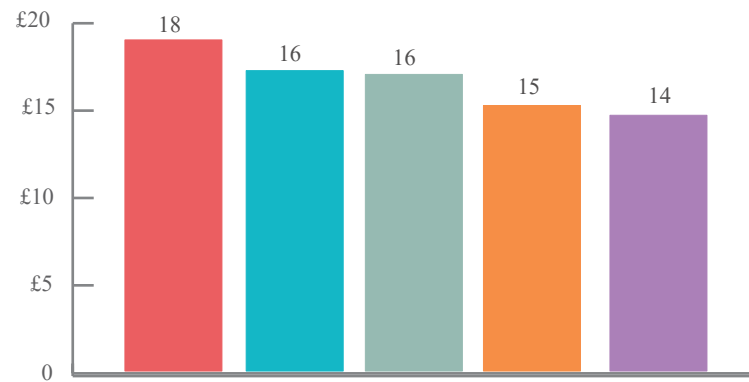
How does compensation for consultants & alumni vary based on company type?

At junior levels, consultancies pay better than start-ups. However, the opposite is true at the most senior levels in a start-up, where pay is only exceeded by that offered by private equity funds. This is driven by the value of equity – as is shown on page 16.

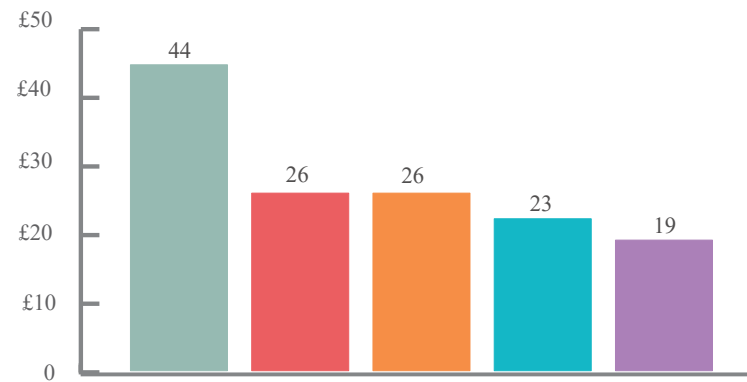
Up to Manager level, consulting pay exceeds corporate and start-up pay, eclipsed only by private equity. However, at Director level consultants are paid significantly less than their peers 'in industry' - 28% less than those in start-ups (including scale-ups), and 64% less than alumni working in private equity.

PAY PER HOUR BY COMPANY TYPE

SNR ANALYST



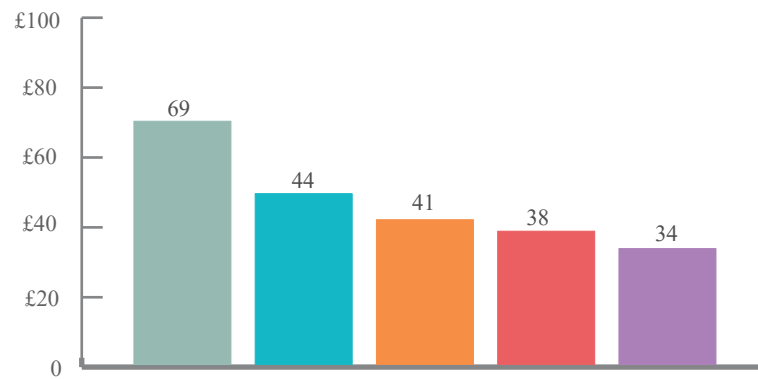
ASSOCIATE



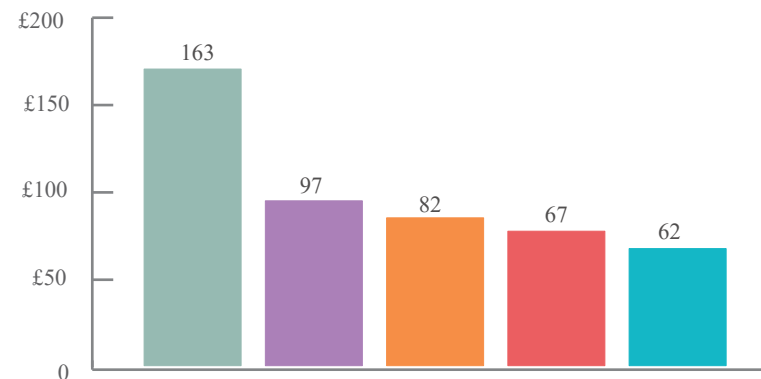
TOTAL COMPENSATION PER HOUR BY COMPANY TYPE



MANAGER



DIRECTOR



PAY PER HOUR BY COMPANY TYPE

Which industries pay the most once working hours are factored in?

If you were to leave a large consultancy as an Associate and join a corporate, your absolute pay would fall by 18%. But once working hours are factored in, your hourly pay would actually increase by 2%.

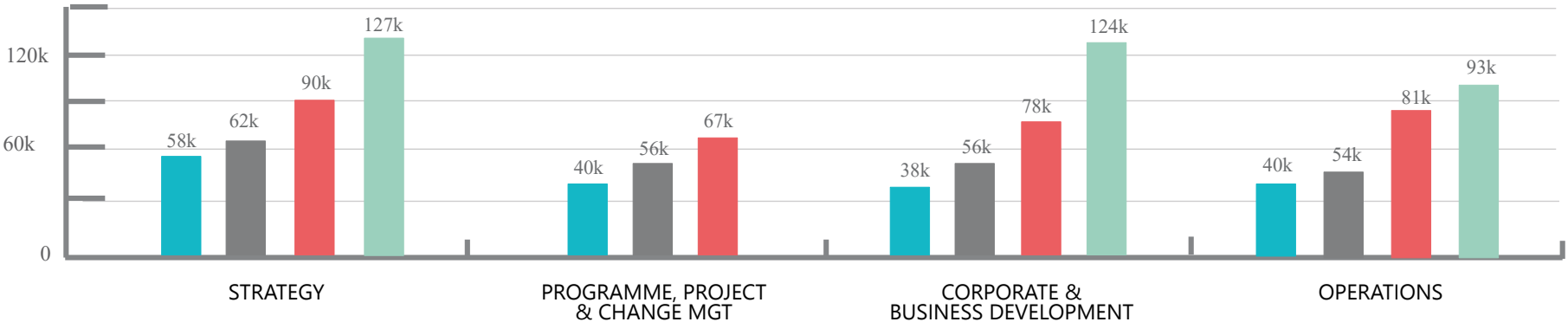
The table below shows the full data on the decrease/increase vs. staying in a large consultancy in absolute pay (total annual compensation), alongside the decrease/increase vs. staying in a large consultancy in hourly pay (annual compensation divided by the total annual hours worked).

PAY DIFFERENCE VS LARGE CONSULTANCY	SENIOR ANALYST	ASSOCIATE	MANAGER	DIRECTOR
START-UP: ABSOLUTE PAY	-36%	-39%	-18%	40%
START-UP: PAY PER HR	-22%	-25%	-9%	45%
CORPORATE: ABSOLUTE PAY	-33%	-18%	-7%	11%
CORPORATE: PAY PER HR	-13%	2%	9%	22%
BOUTIQUE CONSULTANCY: ABSOLUTE PAY	-17%	-14%	9%	-15%
BOUTIQUE CONSULTANCY: PAY PER HR	-10%	-11%	17%	-8%
PRIVATE EQUITY: ABSOLUTE PAY	1%	96%	88%	176%
PRIVATE EQUITY: PAY PER HR	-10%	74%	83%	144%

PAY BY JOB TYPE ('FUNCTION')

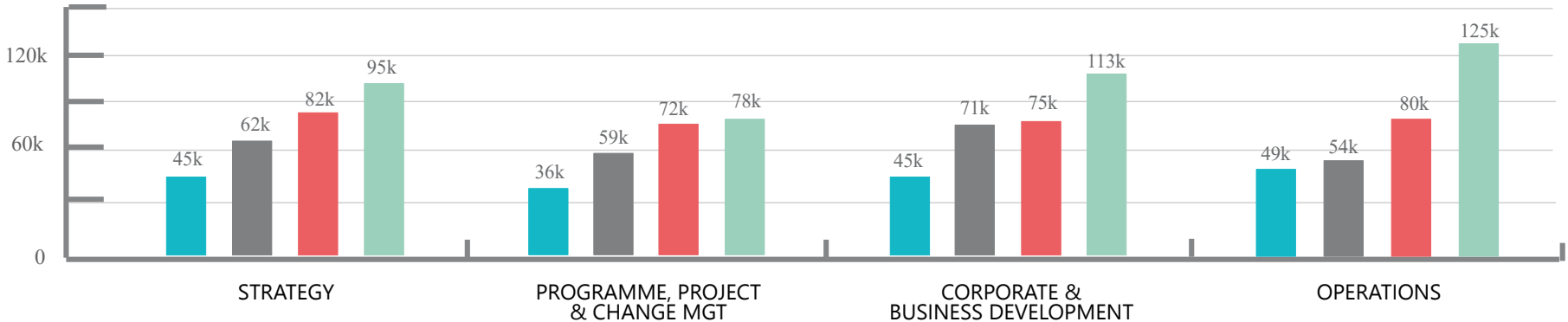
START UP - BASIC SALARY BY TYPE OF JOB (ANNUAL)

SNR ANALYST ASSOCIATE MANAGER DIRECTOR



CORPORATE - BASIC SALARY BY TYPE OF JOB (ANNUAL)

SNR ANALYST ASSOCIATE MANAGER DIRECTOR



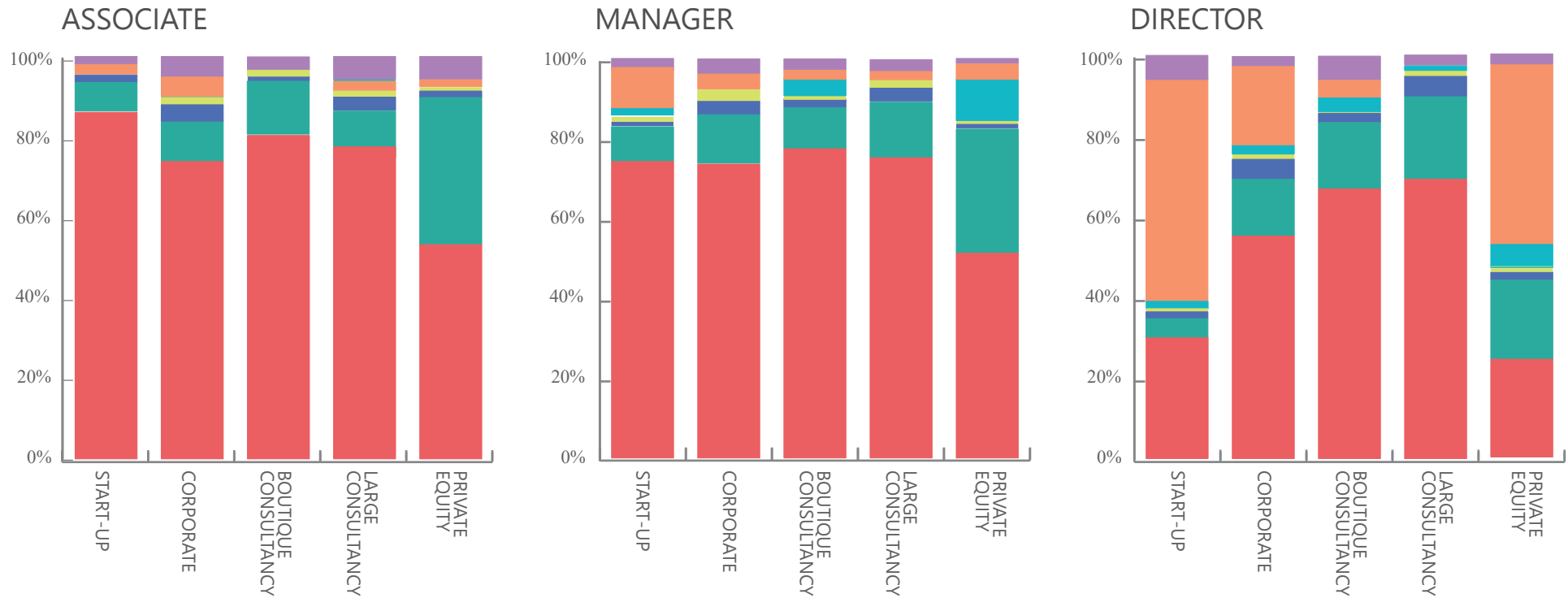
PAY BY JOB TYPE ('FUNCTION')

How does pay vary by function in start-ups and corporates?

As in previous years, consulting alumni are better paid in corporates when they step away from the 'post-consulting' functions of strategy or project management, and into operational roles, especially general management.

In start-ups, consulting alumni working in operations are still paid significantly less than other functions. Strategy continues to offer the highest pay.

PAY BREAKDOWN BY COMPANY TYPE



PAY BREAKDOWN BY COMPANY TYPE

How does pay composition (basic vs bonus vs equity vs other) vary by company type?

In all company types, the proportion of total compensation made up by the 'cash' element (basic salary + bonus) decreases with seniority. This pattern is still the most salient in start-ups and private equity, where 40-60% of compensation at senior levels is equity. The shift away from 'cash' compensation at senior levels is also present in corporates, but to a lesser extent.

NON CASH PROPORTION	ASSOCIATE	MANAGER	DIRECTOR
START-UP	5.7%	18.1%	66%
CORPORATE	12.7%	15.7%	28.7%
BOUTIQUE CONSULTANCY	5.6%	14.3%	16.1%
LARGE CONSULTANCY	10.9%	11.2%	8.4%
PRIVATE EQUITY	11.7%	18.2%	52.2%

PAY VS JOB SATISFACTION

CORRELATION	JOB HAPPINESS	COMPENSATION HAPPINESS
JOB HAPPINESS	1.00	0.48
COMPENSATION HAPPINESS	0.48	1.00
COMPENSATION	0.00	-0.03
HOURS WORKED	0.04	0.06
PAID HOLIDAYS	0.06	-0.02

PAY VS JOB SATISFACTION

Is there a correlation between how happy someone is in their job and their compensation, or how happy they are in their job and their working hours?

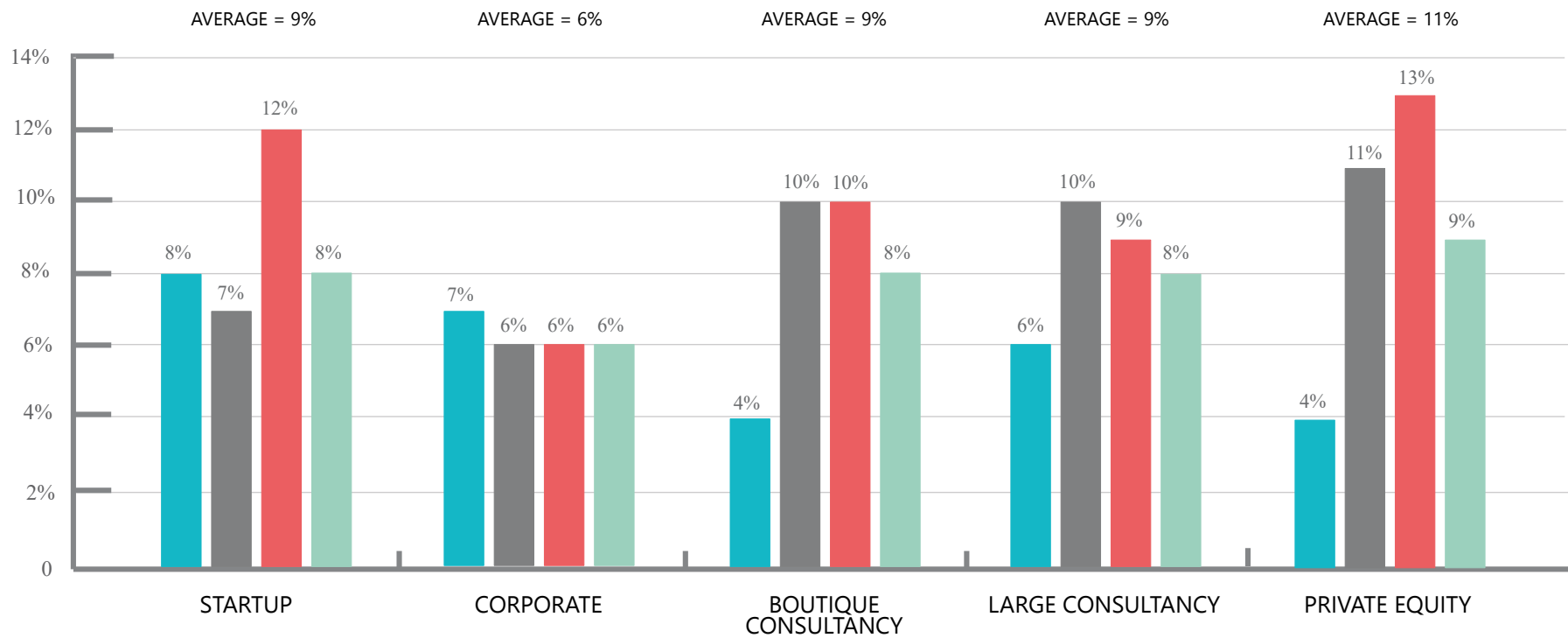
Perhaps surprisingly, no. For the second year in a row, we've found that the correlation is strongest between job happiness and compensation happiness, rather than the level of compensation itself (correlation is 0.48).

Simply put, what matters is not what someone is paid or the hours they work, but their perception of compensation fairness.

PAY RISES

BASIC SALARY RISES BY COMPANY TYPE (ANNUAL)

- SNR ANALYST - AVERAGE = 6%
- ASSOCIATE - AVERAGE = 9%
- MANAGER - AVERAGE = 10%
- DIRECTOR - AVERAGE = 8%



PAY RISES

At what career stage and in which industries are basic salary pay rises greatest?

On average, basic salary increases are still greatest when progressing through Manager levels.

On average, basic salary increases continue to be lowest in corporates. Start-ups and consulting firms average 9%, and private equity still leads the pack with an average of 11%.

PAY COMPARISON – FREELANCE VS PERMANENT

	SNR ANALYST	ASSOCIATE	MANAGER
EFFECTIVE DAY RATE - PERMANENT EMPLOYEE	£238	£357	£588
DAY RATE - FREELANCER	£439	£517	£835
PERMANENT EMPLOYEE VS FREELANCER	-46%	-31%	-30%
AVERAGE TOTAL ANNUAL COMPENSATION	£41,436	£63,971	£107,698
EMPLOYER NATIONAL INSURANCE CONTRIBUTION	£3,961	£7,018	£13,140
EMPLOYER PENSION CONTRIBUTION (ASSUMED 4%)	£1,657	£2,559	£4,308
OTHER FIXED COSTS (ASSUMED £6K)	£6,000	£6,000	£6,000
TOTAL PERMANENT EMPLOYEE ANNUAL COST	£53,055	£79,548	£131,146
WEEK DAYS PER YEAR	260	260	260
PAID LEAVE (ASSUMED 25 HOLIDAYS + 8 PUBLIC + 4 SICK DAYS)	37	37	37
PERMANENT EMPLOYEES - TOTAL DAYS WORKED PER YEAR	223	223	223

PAY COMPARISON – FREELANCE VS PERMANENT

Supply and demand for freelancers continues to be highest at Associate and Manager levels. At these levels, once you factor in all the other costs (beyond compensation) incurred for a permanent employee, the average saving on a permanent employee is 29.5%.

However, certain advantages of using a freelancer could make the effective costs more comparable - making for a much lower saving on permanent employees.

The section below was written for our 2018 report. We heard from so many employers and candidates about its usefulness that we decided to retain it verbatim in this year's report.

You can end a freelancer's contract with little or no notice^{*}

There are a number of common reasons why you may need to let someone go. The business could be contracting, requiring redundancy. There may be a performance issue, requiring HR procedures and a notice period. Equally, a valuable permanent employee may decide to leave.

Replacing that employee not only incurs recruitment costs, but business performance may also be held back by stretched capacity during the recruitment and onboarding period.

In summary, there are cost implications in any scenario regarding termination of permanent employment that either do not apply or may apply to a far lesser extent when using freelancers.*

You can appoint a freelancer very quickly

Typically, recruiting for a permanent employee takes a number of months (sourcing candidates, interviewing, getting an offer accepted and then working out a notice period all adds up). During this time, business performance may suffer simply because there is nobody 'in role'. Simply put, there is an opportunity cost to the business.

The recruitment cycle for freelancers is far quicker (via movemeon we see freelancers starting projects within 1 week of the project opportunity being shared).

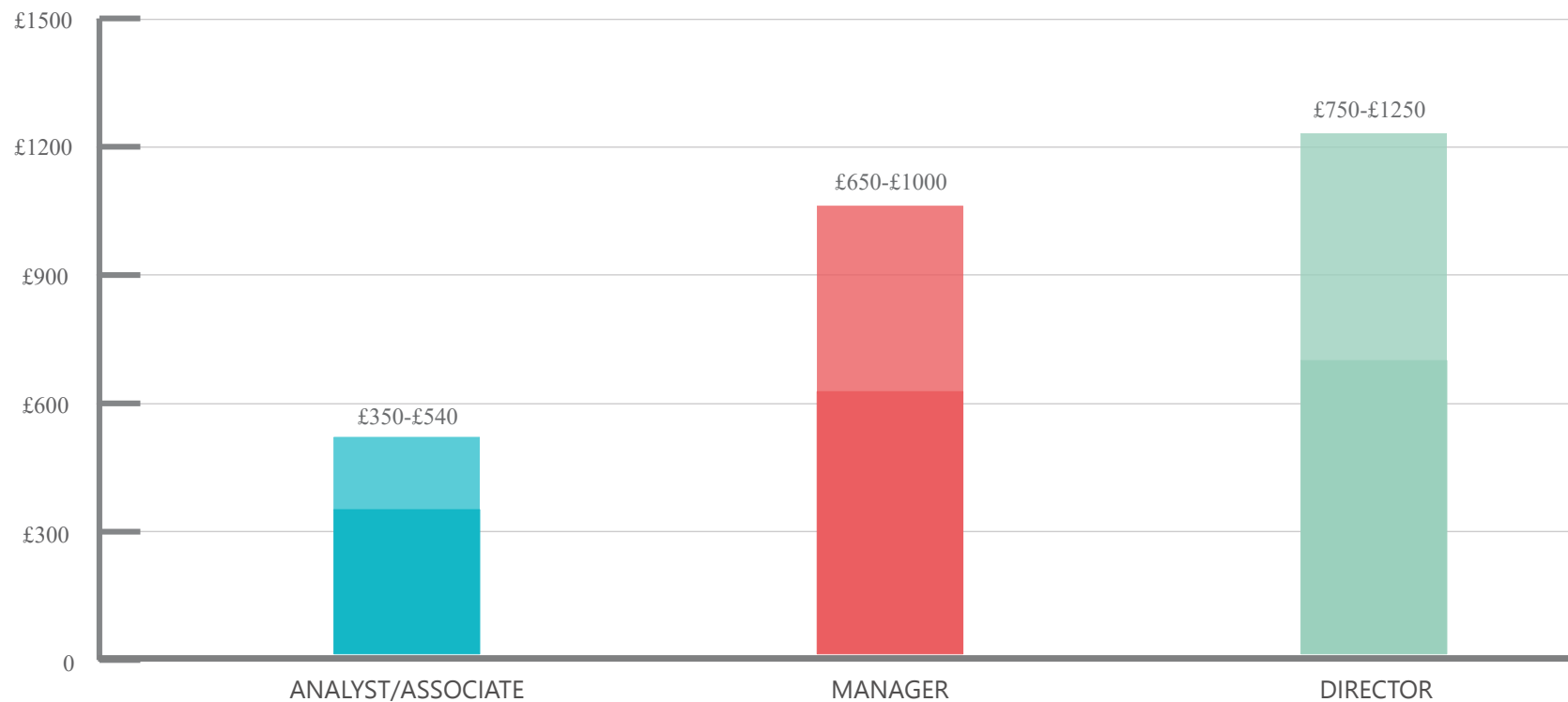
Generally, the interview process is faster as hiring managers are purely focused on competency – “does this person have the right skills & experience” - rather than competency, cultural fit, potential for progression through the business etc. Moreover, the freelancers they'll be interviewing have immediate availability.

^{*} Your employer obligations will depend on how the contract with the freelancer is structured, how often and how much they are working for your business and many other factors. Please take appropriate formal HR / legal advice.

DAY RATES FOR FREELANCE CONSULTANTS

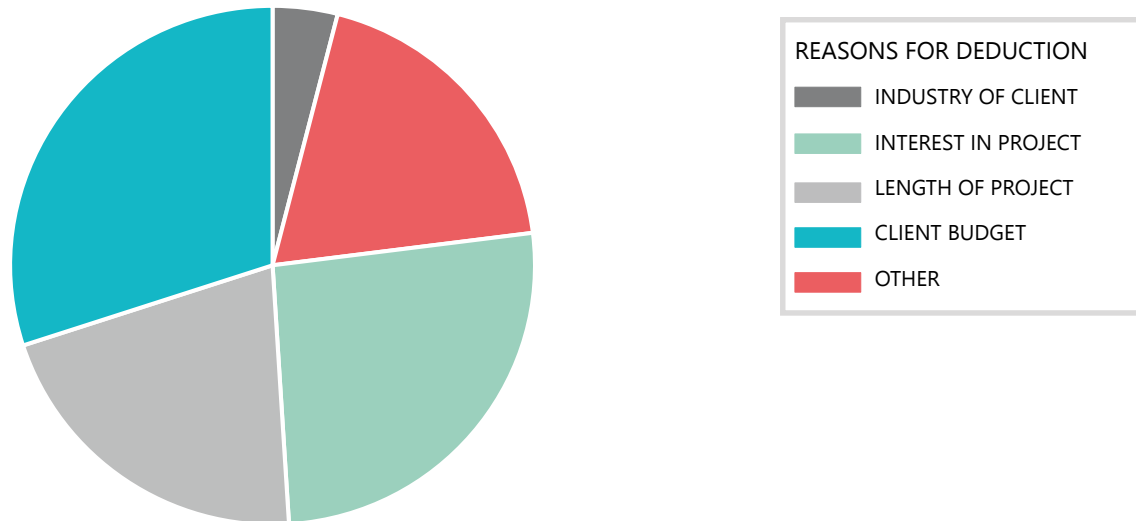
What day rates can freelance consultants command at different levels?

Although there is some variance depending on industry and project length, freelance day rates at each seniority continue to be relatively consistent, and the % increase between seniorities has also stayed relatively consistent.



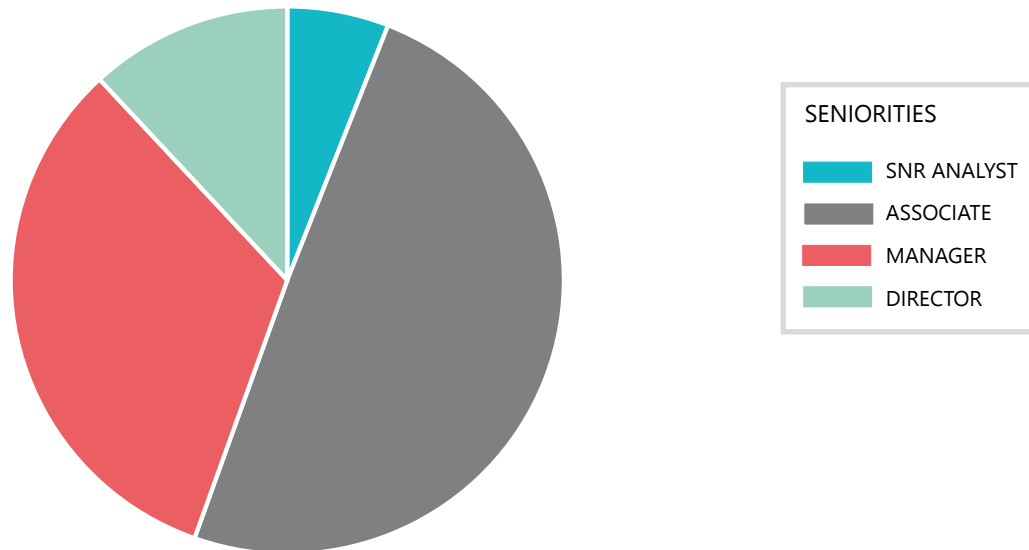
FREELANCE CONSULTANT RATES - MAIN REASONS FOR REDUCTION

As ever, there is variance depending on level of experience, industry and project type, but generally freelance consultants are open to negotiating and even reducing their rates for projects that meet certain personal criteria (e.g. interest in industry, personal belief in mission, etc). More than a quarter of candidates we surveyed are most likely to reduce their rates if they find the project particularly interesting, while a third consider the client's budget to be of primary importance.



THE MOST COMMON SENIORITIES FOR GOING FREELANCE

Consultants most commonly start freelancing at Associate level (3-5 years' experience), closely followed by Manager level. They are least likely to decide to freelance at Analyst level.



DO FREELANCE CONSULTANTS OFTEN RETURN TO PERMANENT EMPLOYMENT?

While there is significant variation among freelancers, only 28% of candidates we surveyed ruled out a return to permanent employment. 18% of those asked consider freelancing to be a stopgap while they wait for the right permanent opportunity. Nevertheless, the size of the freelance market has drastically increased in recent years, which explains why 54% of candidates want to keep their options open - they might return to permanent employment if the right opportunity presents itself, but they are also happy to remain career freelancers.

JOB SATISFACTION - FREELANCE VS. PERMANENT

Freelance consulting gives flexibility and control over work-life balance that can rarely be found in permanent positions. This has been repeated so often that it is at risk of become something of a cliché. But on average freelance consultants work 10 fewer hours/wk than their permanent counterparts, and are happier with both their jobs and their pay, which suggests that this statement holds true.

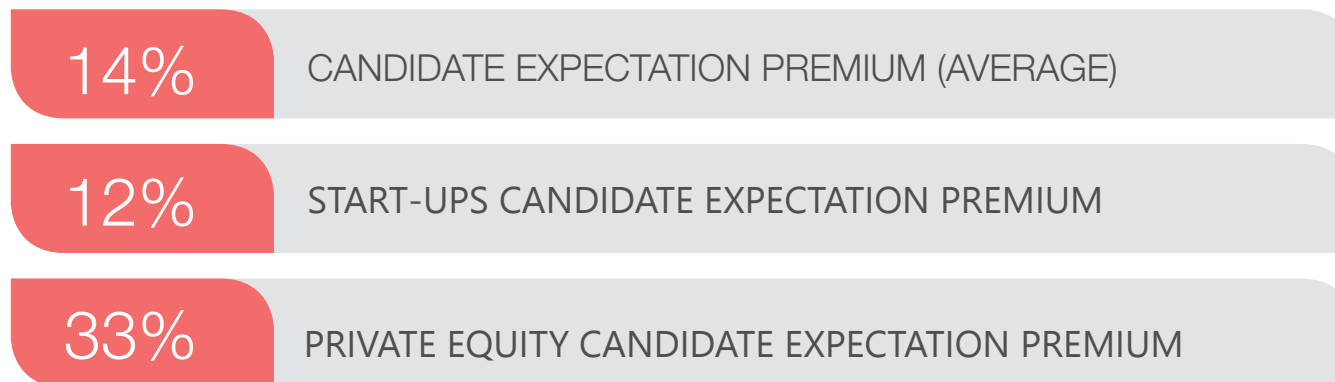
	JOB SATISFACTION out of 10	PAY SATISFACTION out of 10	WORKING HOURS per week
FREELANCE CONSULTANTS	7.51	7.18	41.2
PERM CONSULTANTS	6.99	6.63	51.3

PAY EXPECTATIONS – EMPLOYERS VS. CANDIDATES

What is the difference between the basic salary a candidate expects to be paid (when applying), and what an employer expects to have to pay (when recruiting)?

At Senior Analyst level, candidate expectations, on average, are 28% more than employer expectations. At every other level, the difference is on average 14%.

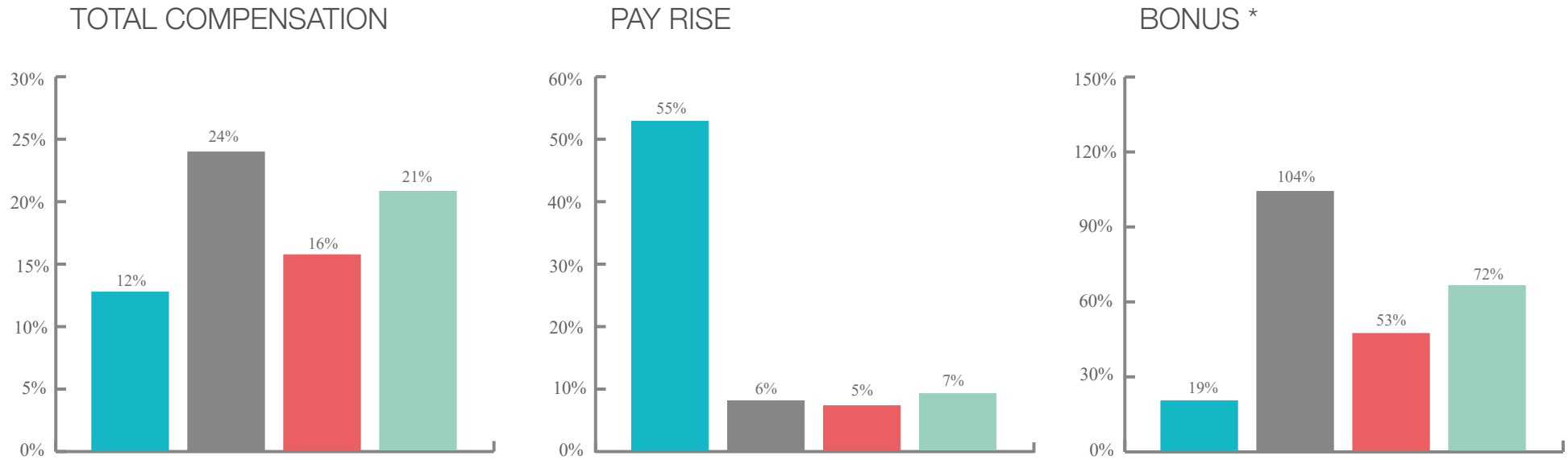
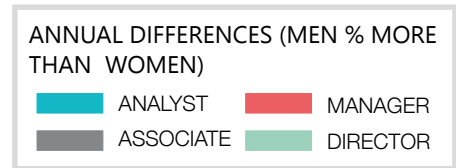
With regard to particularly popular industries, candidate expectations regarding private equity salaries are, on average, 33% inflated, and for scale-ups this is 12%. Both of these industries structure compensation away from basic salary (e.g. placing more emphasis on equity), which could account for the mismatch.



PAY GAP – GENDER

How does compensation level and progression vary between men and women?

The gender pay gap is still as stark as it was in our 2018 report. In fact, at senior levels the gap appears to have widened. Women are paid between 12-24% less. Their pay rises are also smaller, as is performance-based compensation.



* The 104% difference in bonus at Associate level amounts to c. £5000 in absolute terms.

DATA – 22,538 NEW RESPONSES

Our survey is based on our two websites used by consultants and alumni, and on two additional surveys created to collect data for this report.

Paypective & movemeon salary surveys: Payspective.com is Movemeon's sister site. It compares salaries in real time, allowing members to see how well they are paid vs their university and industry peers. The additional salary survey was sent to movemeon members in 2018 to have a wider data set.

2,414 Payspective & salary survey responses were aggregated, anonymised and analysed to uncover the insights in this report. The demographic breakdown is:

Senior Analyst: 11%
Associate: 34%
Manager: 35%
Director: 21%

Movemeon: Movemeon.com is an exclusive community for consultants, consulting alumni and freelance consultants. Movemeon members apply for opportunities on the platform, sharing their salary expectations for given roles with the Movemeon team and relevant hiring managers.

20,124 salary expectations when applying to different types of jobs (e.g, industry, seniority) were aggregated and analysed to uncover the insights in this report. The demographic breakdown of applications is:

Senior Analyst: 7%
Associate: 52%
Manager: 29%
Director: 12%

DEFINITIONS

Commonly used terms in this report include:

Websites

Movemeon / MMO = Movemeon.com - an exclusive community for consultants, consulting alumni and freelance consultants

Payspective = Payspective.com - compare your salary in real time

Consulting firms

MBB or McK/Bain/BCG includes: McKinsey & Company, Bain & Company, The Boston Consulting Group

Strat Cons / Strategy consultancies includes: OC&C Strategy Consultants, L.E.K. Consulting, Oliver Wyman, Simon-Kucher & Partners, Strategy&, Roland Berger Strategy Consultants, AT Kearney, Mars & Company, Kurt Salmon, ZS Associates, The Parthenon Group, Credo, ?What If! Innovation Partners, Markon, Monitor (Deloitte), Arthur D. Little, Corporate Value Associates, Javelin Group, Market Gravity, Advancy, White Space Strategy.

Mgmt Cons / Management consultancies includes: Deloitte, PWC, EY, Accenture, KPMG and all other consulting firms not included in the 'MBB' and 'Strat Cons' categories.

Seniorities

Snr Analyst includes: all job titles more junior than 'Associate'.

Associate includes: all job titles more senior than 'Snr Analyst' and more junior than 'Manager'. It includes 'Consultant', 'Snr Consultant' and 'Junior Manager'.

Manager includes: all job titles including the term 'Manager'. It includes 'Senior Manager' and 'Expert'.

Director includes: all job titles more senior than 'Senior Manager'. It includes: 'Director', 'VP', 'Head Of', 'Junior Partner' and 'Partner'.

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