



**Institute of
Money Advisers®**

Assuring quality in the money advice profession

Salaries in the debt advice sector



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Introduction

It's been a long-held objective of the Institute to achieve wide recognition of money advice as a skilled profession. Our specialist qualification, the Certificate in Money Advice Practice (delivered in partnership with Staffordshire University) is now required by many employers recruiting to money advice roles in their organisations.

In 2018, Peter Wyman reviewed the funding of money advice on behalf of the Money Advice Service (MAS)¹. His recommendation that a qualification should be mandatory for those giving money advice was official acknowledgment of the highly skilled professional level at which money advisers work.

The adoption by MAS of a tailored version of the IMA's Continuing Professional Development scheme in 2018 provided further recognition of money adviser's professional status and the need to maintain ongoing learning and development in order to deliver high quality advice.

At a recent IMA conference, advisers discussed the implications of mandatory accreditation and we reflected their concerns in our response to the Wyman report, as follows:

'we are aware that many employers pay significantly below the average national weekly wage. If a qualification is to become a formal requirement for working as a skilled professional debt adviser, there should be a commensurate increase in salary levels in the sector...'²

To better understand the remuneration of our members and whether salaries reflect professional expectations, we invited IMA members to complete a detailed survey. Respondents were asked about the responsibilities of their roles, the types of organisation they worked for, how their organisation and role was funded, hours of work, actual gross salary along with questions about their experience in debt advice.

Data was gathered between May and September 2018, with a total of 287 complete responses, which form the basis of this report's analysis. The report looks at the types of role among respondents, together with their average salaries, before focusing on specialist debt advisers who comprised 93% of respondents. We then consider how average salaries vary by factors such as the types of organisation for which advisers work, the main funding sources for debt advice roles and geographic factors.

The salary range for specialist debt advisers was very wide, ranging from as little as £15,000 per annum for a full-time employee to £51,000 p/a FTE. The principle finding is that, on average, specialist debt advisers who completed the survey earned less than the national UK average wage – something many IMA members had long-suspected.

In the coming year, we hope to conduct further research to obtain a more detailed picture of regional variations in debt advice salaries and identifying appropriate comparators from the wider advice sector.

We also intend to engage with key advice sector stakeholders, including funders and employers, to discuss our findings to date and how to address the need for appropriate remuneration for the money advice profession.

Robert Wilson
Chief Executive Officer

April 2019

¹ Review of Debt Advice Funding by Peter Wyman – www.moneyadvice.service.org.uk/en/corporate/debt-publications

² IMA Response to the Review of Debt Advice Funding by Peter Wyman – www.i-m-a.org.uk/download/9811/

Average salaries and different roles

Establishing an ‘average’ salary for the free to client debt advice sector is a complex task. There is great variation in the types of work that debt advisers do, which is demonstrated in the responses to the adviser survey.

During the survey, respondents were asked to identify the types of duties they perform as a core part of their roles. These were grouped into 8 main areas:

- | | |
|---------------------------------|---------------------------------------|
| 1. Initial contact / assessment | 5. Formal advocacy and representation |
| 2. Financial capability | 6. Specialist technical support |
| 3. Debt advice | 7. Supervision/Management |
| 4. Casework/specialist advice | 8. Policy |

The full list of duties respondents could select from are included in Appendix 1.

Role groups

Analysis of the 287 complete responses showed significant variation in duties. However, there were enough distinct areas of similarity between responses to allow grouping into 4 main role groups. Three of these groups could then be divided further, as shown in Table 1 below. This allows for better like-for-like comparison between roles.

Role groups and descriptions		
A.1	Specialist non-representatives	Debt advisers who give specialist level advice but do not represent clients formally.
A.2	Specialist representatives	Debt advisers who give specialist advice and represent clients in formal proceedings.
A.3	Specialist supervisors	Debt advisers who give specialist advice and also supervise other advisers.
A.4	Specialist line managers	Debt advisers who give specialist advice and also line manage other advisers.
B.1	Non-specialist advisers	Debt advisers who do not give specialist or complex advice.
B.2	Non-specialist managers	Debt advisers who do not give specialist advice but also manage other advisers.
C.1	Financial capability advisers	Advisers who give financial capability advice/guidance but do not advise on debt.
D.1	Policy/executive roles	Holders of a formal policy / executive / leadership roles.
D.2	Non-technical managers	Managers who do not advise clients or supervise advisers.
D.3	Non-advising supervisors	Supervisors of debt advisers who do not give advice directly to clients.

Table 1

Most respondents (92.6%) fell into the category of advisers who give specialist advice as part of their role (groups A.1, A.2, A.3 and A.4 in Table 1).

Within this group of specialist advisers, the two largest groups were **Specialist non-representatives [A.1]**, accounting for just over a third (38.7%), and **Specialist supervisors [A.3]**, who made up almost a quarter of responses (24.7%). **Specialist representatives [A.2]** accounted for only 15% of total responses, just ahead of **Specialist line managers [A.4]** at 14%.

Other roles (non-specialist advisers, financial capability advisers and all other roles) accounted for only 7.4% of total responses.

On this basis, this report will focus mainly on specialist debt advice roles unless otherwise indicated.

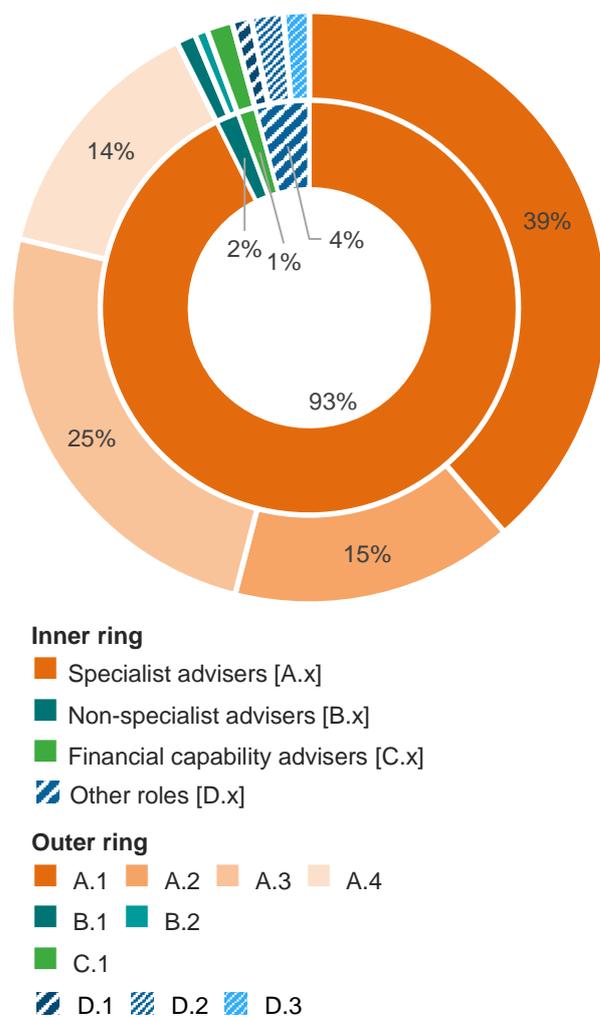


Figure 1: Proportion of total responses by role group

Role group	No. of respondents	Proportion of total responses
Specialist non-representatives [A.1]	111	38.7%
Specialist representatives [A.2]	44	15.3%
Specialist supervisors [A.3]	71	24.7%
Specialist line managers [A.4]	40	13.9%
	266	92.6%
Non-specialist advisers [B.1]	3	1.1%
Non-specialist managers [B.2]	2	0.7%
	5	1.8%
Financial capability advisers [C.1]	4	1.4%
	4	1.4%
Policy/executive roles [D.1]	3	1.1%
Non-technical managers [D.2]	5	1.7%
Non-advising supervisors [D.3]	4	1.4%
	12	4.2%

Table 2: Responses in each role group

Average salaries by role

The survey showed that the average full time equivalent (FTE) annual salary for a specialist debt adviser [A.1, A.2, A.3 and A.4] was £26,237.

Respondents who routinely represent clients as part of their roles (**Specialist representatives** [A.2]) earned, on average, approx. £3,000 per year more than those who did not represent (**Specialist non-representatives** [A.1])

Non-specialist advisers [B.1] reported earning approx. £2,000 per year less than **Specialist non-representatives** [A.1]. However, as the sample of non-specialist debt advisers was relatively small, no firm conclusions should be made.

Respondents in **supervisory and management roles** [A.3, A.4, B.2, D.2 and D.3] earned, on average, 8% more than those in non-supervisory positions. Supervisors and management roles reported an average salary of £27,883 compared with an average of £25,746 for all non-management roles.

Between specialist debt advisers however, there was less of a difference, particularly between **Specialist representatives** [A.2] and **Specialist supervisors** [A.3] / **Specialist line managers** [A.4].

Role group	Average FTE salary	Variation from [A.1] average salary
Specialist non-representatives [A.1]	£ 24,401	
Specialist representatives [A.2]	£ 27,221	+ 11.6%
Specialist supervisors [A.3]	£ 27,933	+ 14.5%
Specialist line managers [A.4]	£ 27,242	+ 11.6%
Non-specialist advisers [B.1]	£ 22,591	- 7.4%
Non-specialist managers [B.2]	£ 38,325	+ 57.1%
Financial capability advisers [C.1]	£ 26,620	+ 9.1%
Policy/executive roles [D.1]	£ 55,383	+ 127.0%
Non-technical managers [D.2]	£ 30,644	+ 25.6%
Non-advising supervisors [D.3]	£ 26,781	+ 9.8%

Table 3: Average salaries for each role group

Salary ranges

There was, however, significant variation reported by respondents to the survey, even within each role group.

The minimum FTE salary among **Specialist non-representatives** [A.1] respondents was £15,000, compared with a maximum of £37,000; a spread of £22,000.

Between respondents in the **Specialist representatives** [A.2] category, this spread was larger at £29,000; a minimum salary of £21,500 and maximum of £51,165.

Given that most respondents fell into Group A (specialist debt advisers), the remainder of this report focuses on this group.

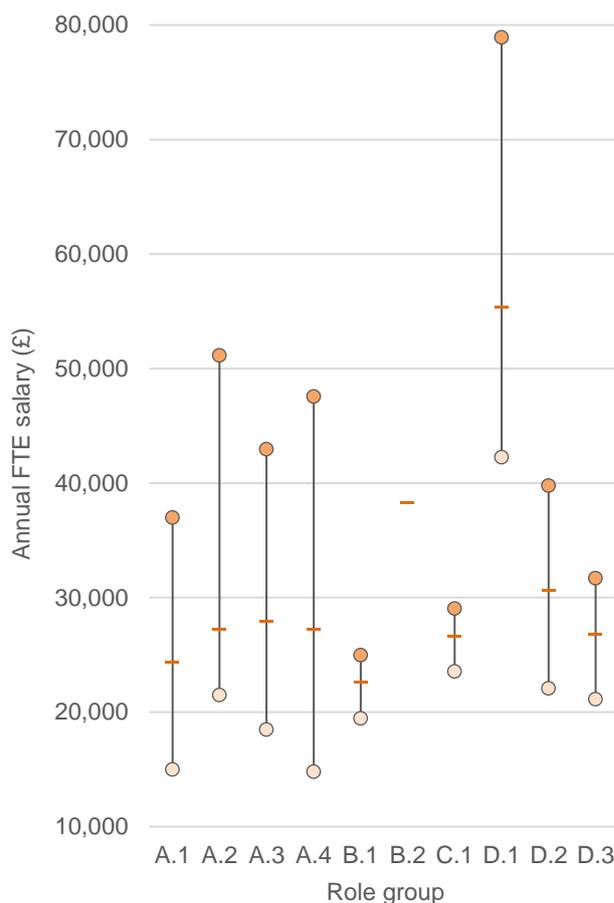


Figure 2: Average —, minimum ○ and maximum ● salaries for each role group. (The lack of minimum and maximum for B.2 is due to low number of sufficiently complete responses.)

Role group	Minimum FTE salary	Average FTE salary	Maximum FTE salary
Specialist non-representatives [A.1]	£15,000	£ 24,401	£37,000
Specialist representatives [A.2]	£21,500	£ 27,221	£51,166
Specialist supervisors [A.3]	£18,500	£ 27,933	£42,961
Specialist line managers [A.4]	£14,800	£ 27,242	£47,571
Non-specialist advisers [B.1]	£19,474	£ 22,591	£25,000
Non-specialist managers [B.2]		£ 38,325	
Financial capability advisers [C.1]	£23,581	£ 26,620	£29,071
Policy/executive roles [D.1]	£42,286	£ 55,383	£78,933
Non-technical managers [D.2]	£22,089	£ 30,644	£39,805
Non-advising supervisors [D.3]	£21,143	£ 26,781	£31,714

Table 4: Average, minimum and maximum salaries for each role group. (The lack of minimum and maximum for B.2 is due to low number of sufficiently complete responses.)

Funding

The free-to-client debt advice sector has a variety of funding sources. During the survey, respondents were asked to identify the main source of funding for their role. The top three sources of role funding among respondents were the Money Advice Service, income generated by the advice providing organisation (typically from housing associations) and funding from local government sources. Other sources of income included other local charities, the Big Lottery Fund, trust funds and central government, although these accounted for little more than 5% of roles each.

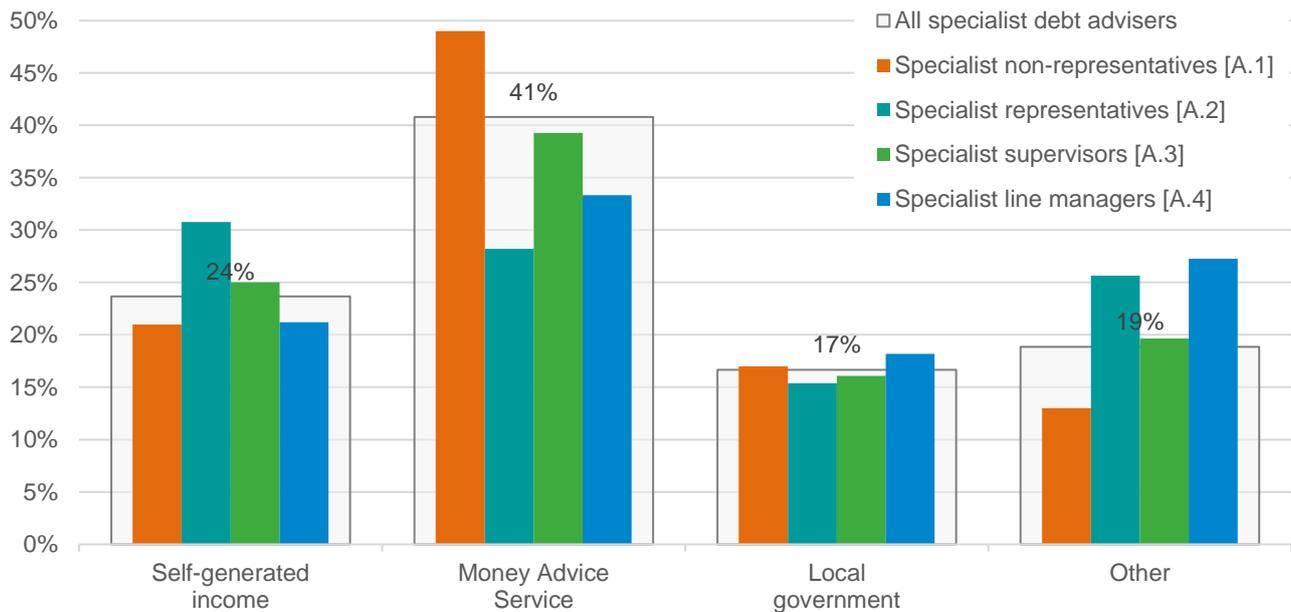


Figure 3: Main funding source for each role group

The largest single source of funding among respondents was the Money Advice Service, accounting for the funding of 41% of all roles. Self-generated income and local government income represented most of the remaining respondents (24% and 17%, respectively).

Sources of funding also varied considerably by organisation type. This is explored in the Organisation section of the report below.

Money Advice Service funding accounted for the majority (68%) of **specialist debt adviser** roles [A.1, A.2, A.3 and A.4] at Local Citizens Advice. Local authority debt advice roles were funded primarily via local government funding and housing association debt advice was funded mostly from income generated by the housing association.

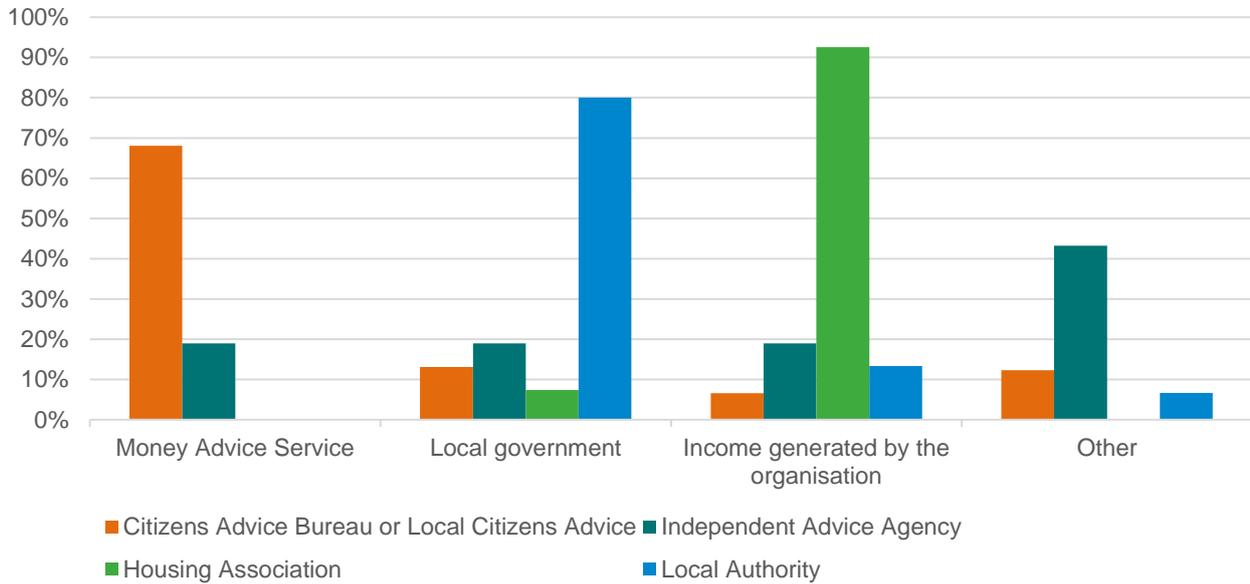


Figure 4: Main funding sources for organisations

Comparing average salaries by main role funder shows that, among respondents, roles funded by the Money Advice Service and Local government are lower than those funded by, self-generated incomes and other sources of funding.

Among respondents, those specialist debt advisers working for organisations who fund advice from income that generate their own income are paid, on average, approx. 5% more than advisers funded by local authorities and 10% more than those advisers whose roles are funded by the Money Advice Service.



Figure 5: Average salary by role funder

Organisation type

Most **specialist debt adviser** [A.1, A.2, A.3 and A.4] respondents were advisers from Local Citizens Advice offices. Independent advice agencies, housing associations and local authority advisers made up the majority of the remaining respondents. 'Other' organisation types included debt management companies, benevolent organisations and insolvency practitioners.

Organisation type	Count	%
Local Citizens Advice	152	59.2%
Independent advice agency	44	17.1%
Housing association	27	10.5%
Local authority	15	5.8%
Other	19	7.4%

Table 5: Respondents by organisation type

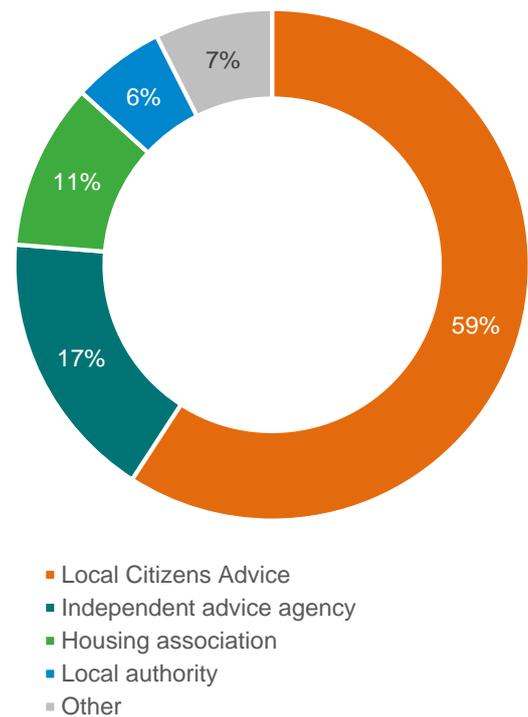


Figure 6: Organisation type of respondent's employer

As shown in Figure 4, **specialist debt adviser** [A.1, A.2, A.3 and A.4] respondents in Local Citizens Advice offices were mostly funded by the Money Advice Service. Housing association advisers were funded mostly by income generated by the association and local authority advisers by local authority funds.

Specialist debt adviser respondents working for Local Citizens Advice officers receive the lowest annual salaries, with housing association respondents being paid the most.

On average, Local Citizens Advice respondents earn 10% less than local authority advisers and 12% less than housing association advisers.



Figure 7: Average salary by employer organisation type

Geography



Figure 8: Average salary by IMA region

Rates of pay for **specialist debt advisers** [A.1, A.2, A.3 and A.4] varied by location within the UK, with rates of pay in London being significantly higher than in other regions.

Outside of London, the highest average salaries were reported in the Western (Bristol), East Midlands, Northern Ireland, Merseyside and Manchester IMA regions.

Respondents in the North East, South West (Devon and Cornwall) and Wales had the lowest salaries.

Ignoring London, the gap between the highest paid and lowest paid regions was £4,623, a difference of 18.6%.

Mapping the data to the normal UK regions shows a similar picture (Figure 9).

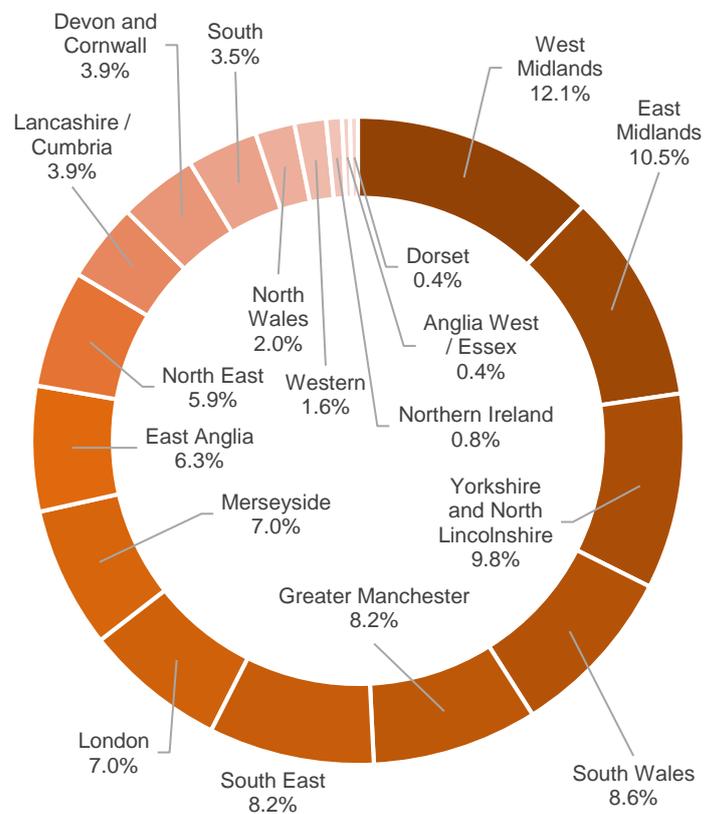


Figure 9: Proportion of respondents by IMA region

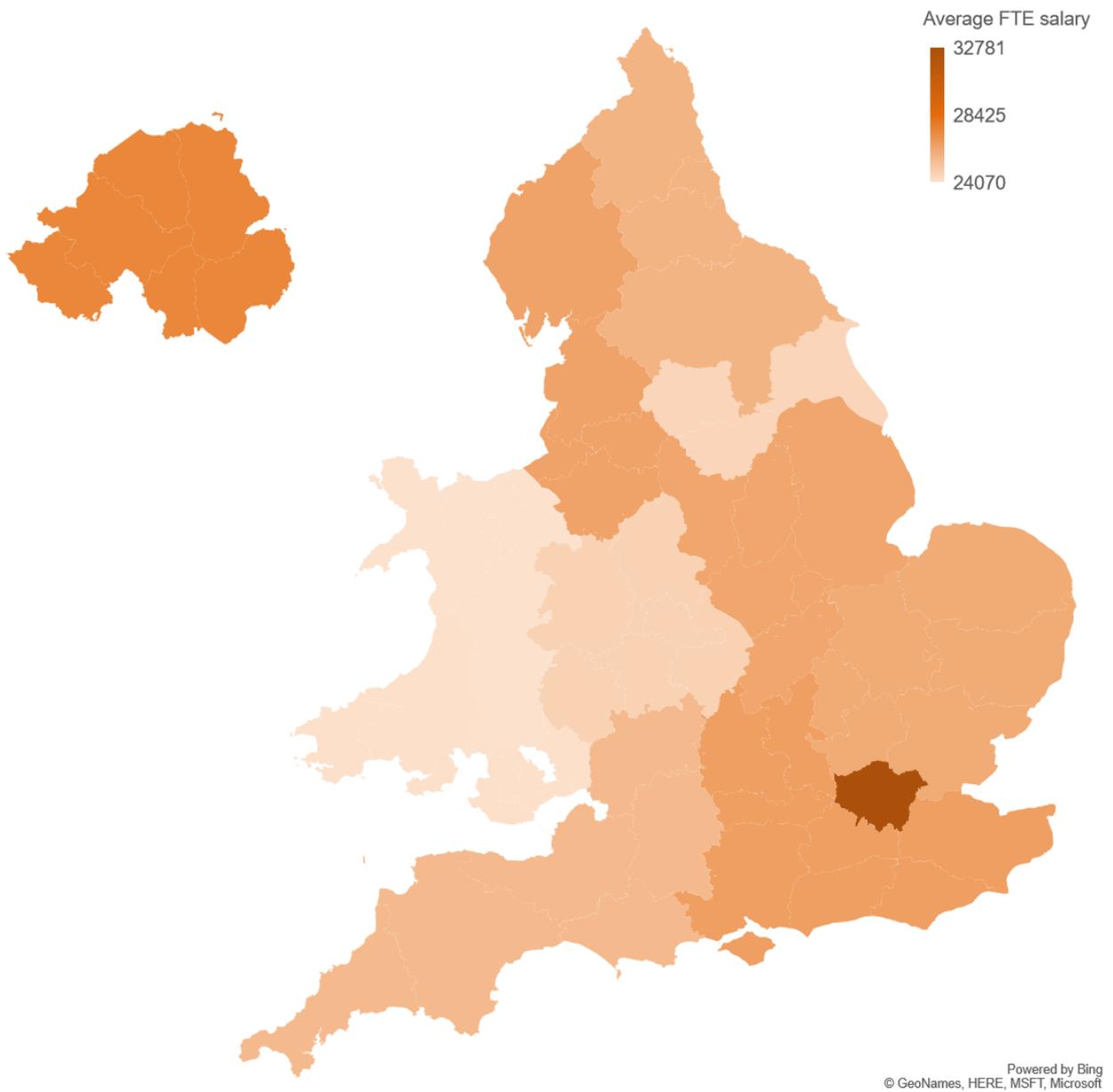


Figure 10: Average salary by typical UK regions (the gaps in Wales are due to a Bing mapping error with some UK areas)

Other factors

In this section, other factors affecting salaries based on data supplied by respondents are considered.

IMA Certificate in Money Advice Practice

Respondents who held the IMA Certificate in Money Advice Practice (CertMAP) reported higher salaries; an average of £27,019 compared with £26,245.

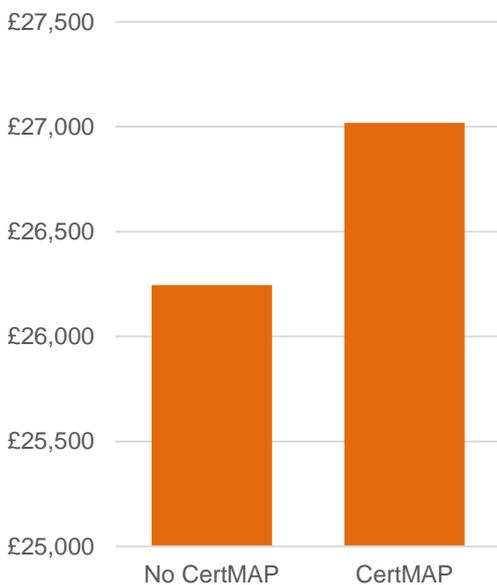


Figure 11: Difference in average annual salary based on the holding of CertMAP

Approved Intermediaries

Similarly to the CertMAP qualification, specialist debt advisers who are Debt Relief Order (DRO) approved intermediaries also reported higher average annual salaries; £26,445 compared to £25,727.



Figure 12: Difference in average annual salary based on being a DRO approved intermediary

Experience

Amongst all respondents who disclosed their years of experience in debt advice, there appears to be a trend of salaries increasing with years of experience of approximately 3% per year.

This is broadly in line with inflation over the period covered by responses. However, part of this increase might be explained by promotion to more senior roles of that time. Since this will only apply to some people, this suggests that the growth in wages for those who remain in the same job/grade may be less than this.

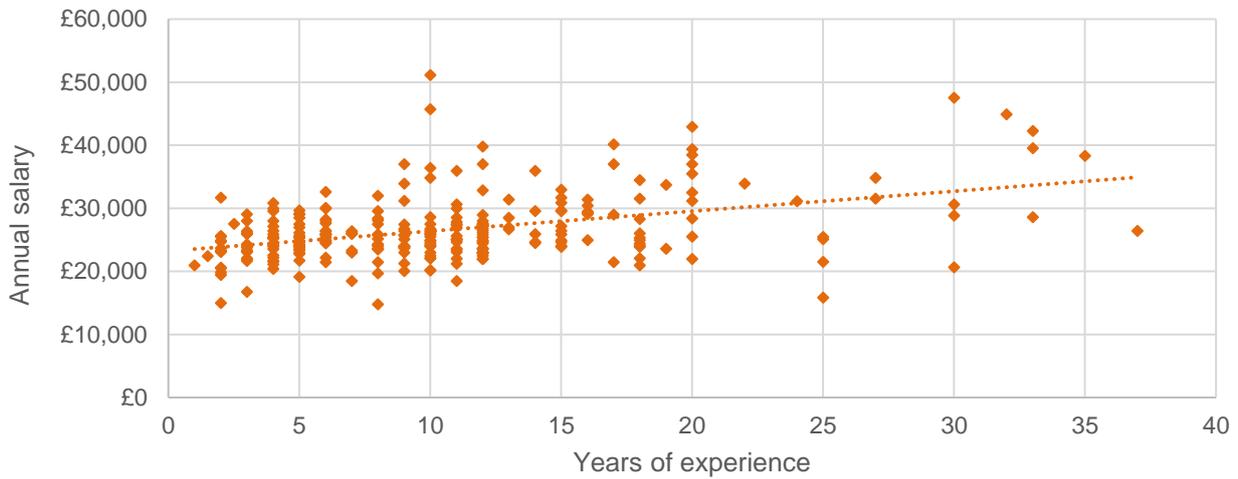


Figure 13: Annual salary by years of experience in debt advice

Annual pay rises

Respondents were also asked whether their employer has a policy of annual pay increments.

The availability of annual increments was broadly in line with the average salaries identified above.

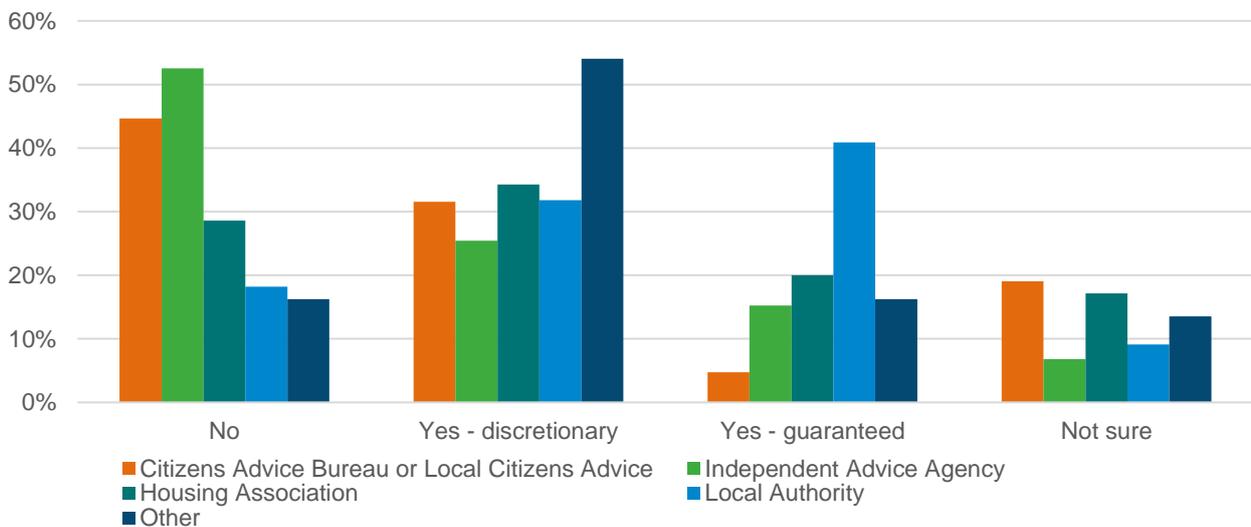


Figure 14: Availability of annual pay increments.

Respondents working for Local Citizens Advice offices and Independent Advice Agencies were most likely to have **no** annual pay rises (43% and 53%, respectively).

Housing Associations staff were more likely to have either guaranteed or discretionary pay rises (54%).

Local authority staff were the most likely to have annual increments (72%) with the highest rate of guaranteed rises (40%).

Main findings and next steps

Among respondents to the adviser survey:

- Specialist debt advisers working full time in the free-to-client debt advice sector earned an average of £24,500 and £28,000, depending on their role. The UK national average (median) earnings for full time employees in 2018 was £569³ per week, equivalent to £29,588 and so **the majority of respondents were paid less than the UK average income.**
- Those employed in **Local Citizens Advice offices** (which represented the majority of responses) were **paid, on average, the least** compared with advisers working for other types of organisation.
- **Roles funded by the Money Advice Service were the lowest paid, on average.**
- While pay increases with experience, such increases are most likely accounted for by inflationary/cost of living pay rises rather than significant salary progression.

Next steps

The data and insights gathered as part of this exercise represent a significant start in understanding the picture of pay and conditions in the free-to-client debt advice sector in England, Wales and Northern Ireland.

From the initial analysis it appears that deeper insights could be achieved with more and broader data, particularly if this was sufficient to enable regional or even local analysis to be carried out. Gathering more comprehensive and meaningful data will need continued and wider cooperation throughout the sector.

Based on the high proportion of specialist debt advisers in the sector and in the respondents to the initial questionnaire, it would seem sensible to concentrate any further investigations on this part of the sector, at least initially. This would enable even finer tailoring between different ‘types’ of debt advisers and hopefully provide a more granular analysis of pay disparities.

In addition to obtaining more, finer detail data from future participants, establishing suitable comparators from other sectors (e.g. welfare benefits, housing or employment advice) may also be beneficial. However, ensuring that any comparisons made are fair will be essential and gathering equivalent data about other sectors may be challenging.

An essential next step if we are to make a difference to IMA members and the wider sector will be meeting with key advice sector stakeholders, including funders and employers, to discuss our findings and how to address the need for appropriate remuneration for the money advice profession.

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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2018>

Appendix 1 – adviser role framework

1. Initial contact / assessment

- Explain remit of service to clients
- Gather basic personal information
- Identify basis of client's problem
- Identify other related issues
- Identify emergencies / urgent issues
- Identify information / advice needs
- Provide self-help information
- Signpost^a client to services
- Make referrals^b for advice

a 'Signposting' involves helping clients identify suitable services and providing contact details for clients to contact with services themselves.

b 'Referrals' involves assisting clients to make contact with the intended service and securing access to a service (e.g. by arranging an appointment with the receiving organisation)

2. Financial capability

- Assist clients to produce a personal budget
- Conduct a benefit check
- Other income maximisation
- Complete benefit claim forms
- Provide tailored budgeting advice
- Help with price comparisons
- Produce a financial statement (CFS/SFS or equivalent)
- Group work with members of the public

3. Debt advice

- Diagnose / investigate the client's problem
- Match circumstances to, and identify, options
- Explain options to client
- Assist client to make an informed choice
- Negotiate with / make offers to **priority** creditors
- Negotiate with / make offers to **non-priority** creditors
- Advise on / assist with **informal**^c debt strategies

c Not including assistance with formal strategies such as insolvency options, time orders etc.

4. Casework/specialist advice

- Manage a personal caseload
- Advise on **formal insolvency** options
- Complete bankruptcy applications
- Complete DRO applications (DRO intermediary)
- Advise on IVAs
- Negotiate complex cases (e.g. write-offs, moratoriums) with creditors
- Advocate for / represent clients in **informal** settings (e.g. to creditors / with complaints)

5. Formal advocacy and representation

- Prepare cases / submissions for **formal** proceedings
- Assist clients to prepare for **formal** proceedings
- Represent clients in the county court
- Represent clients in the magistrate's court
- Represent clients in benefit tribunals

6. Specialist technical support

- Provide consultancy / technical guidance to "advice"^d level advisers
- Provide consultancy / technical guidance to "caseworker"^e level advisers
- Produce / deliver training courses in debt / money advice
- Produce technical updates for other staff
- Produce articles for publication in external journals etc.
- Undertake topic-based research (e.g. academic / policy work)

d i.e. those advisers mainly undertaking the activities in section 3 above

e i.e. those advisers also undertaking the activities in sections 4 and 5

7. Supervision/Management

- Directly supervise the work of "advice" level advisers
- Directly supervise the work of "caseworker" level advisers
- Line manage "advice" level advisers
- Line manage "caseworker" level advisers

8. Policy

- Significant^f social policy / research & campaigns work
- Work in an executive or policy role
- Formal liaison with other partner organisations
- Represent a large organisation / network / interest group on external bodies

f significant means more than routine collection of social policy evidence; such as undertaking original social policy research, production of written social policy reports or campaign co-ordination activities