

2024

Gender Gaps In Israeli Tech

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Introduction

Gender disparities persist in the Israeli tech industry, posing a significant challenge and reflecting broader societal gaps in 2024. Despite progress in diversity and inclusion efforts, women in tech still encounter barriers to achieving pay equality with their male counterparts.

The legal mandate for salary transparency has heightened awareness of wage disparities among employees, potentially leading to an increase in gender discrimination lawsuits. Understanding the underlying factors behind these disparities is essential for developing effective strategies to address and mitigate them.

This report's data was analyzed using Compete's real-time compensation and benefits platform, drawing insights from hundreds of Israeli tech companies.

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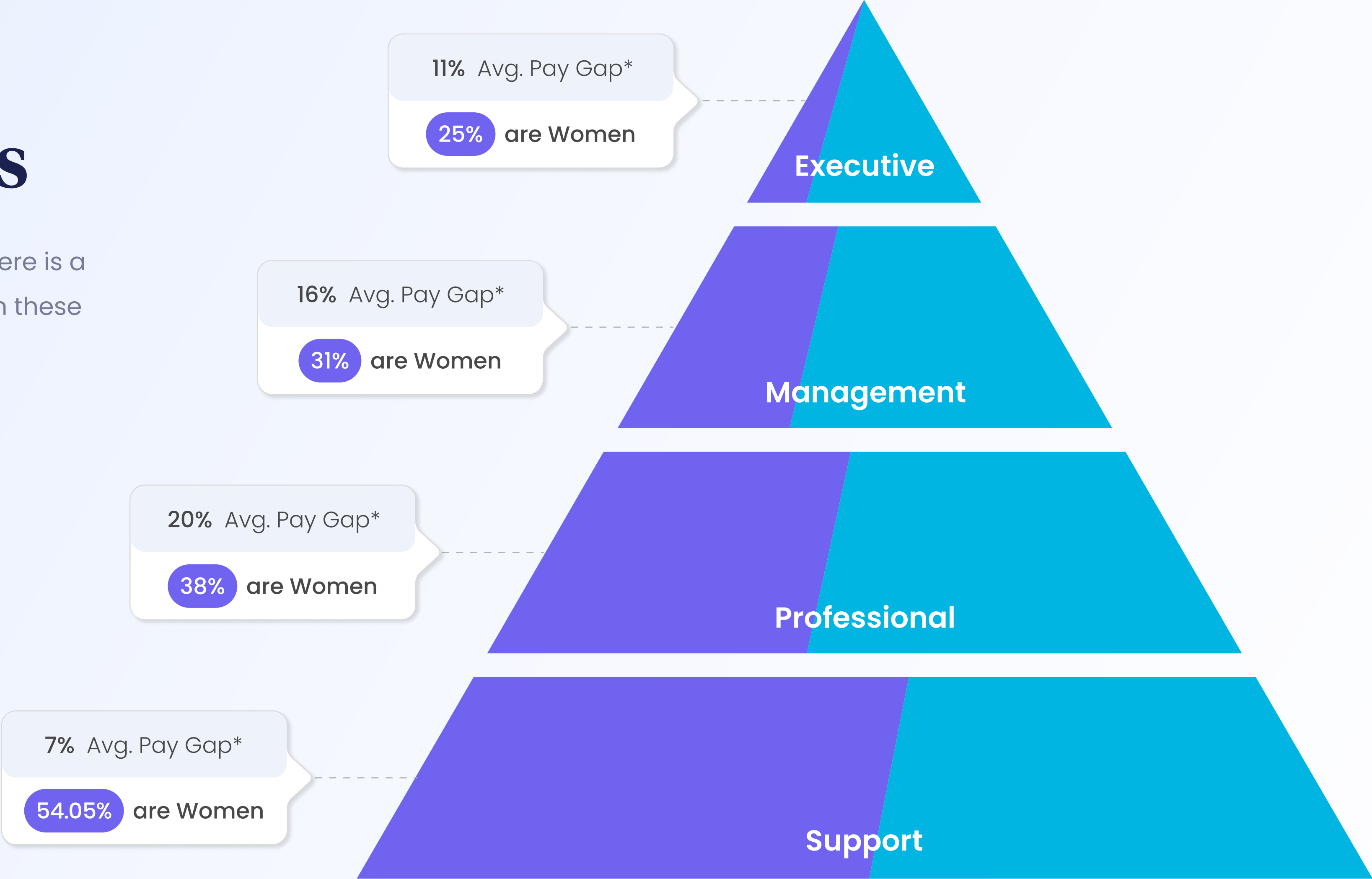
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The Seniority Decline Persists

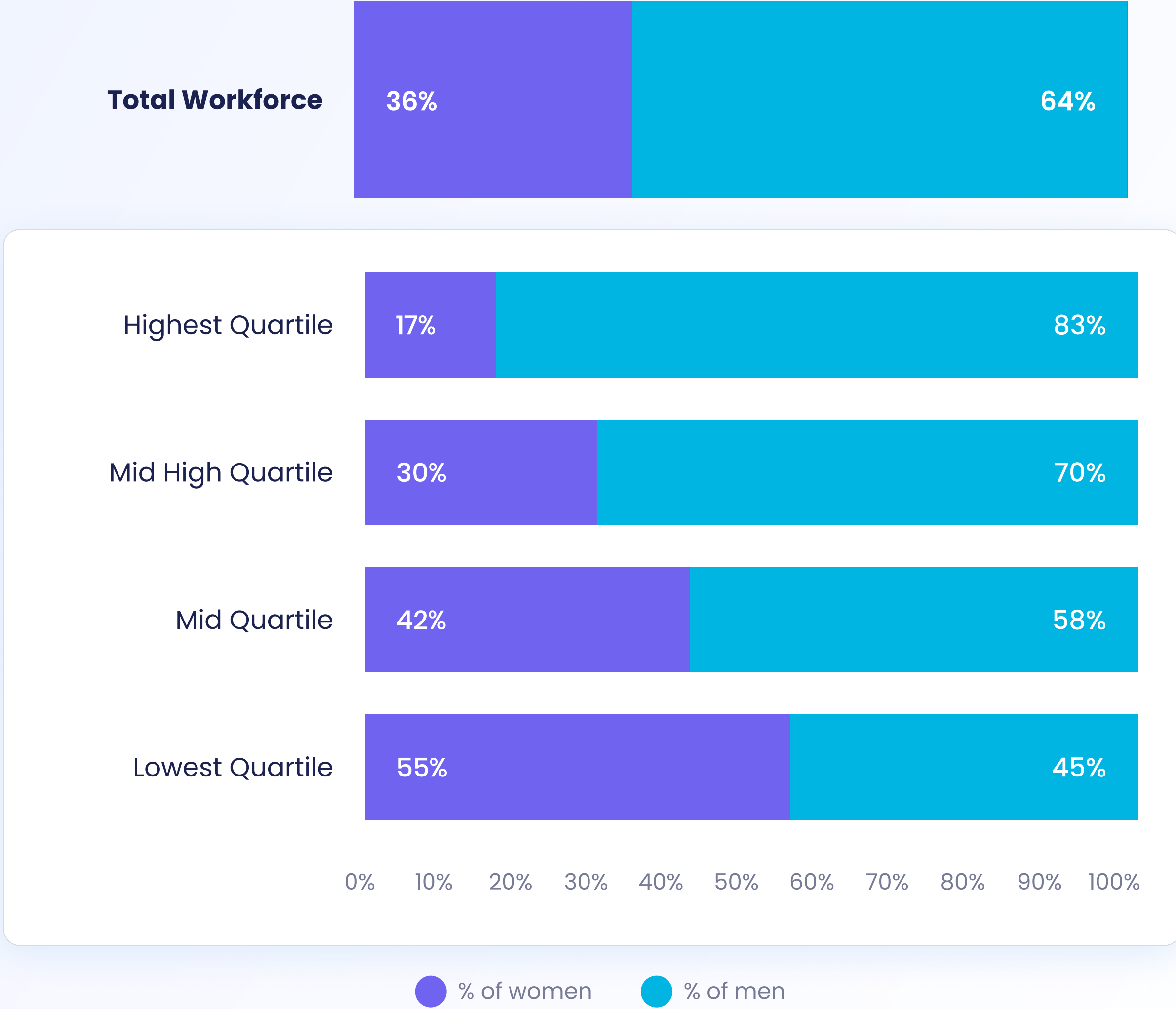
As the managerial hierarchy progresses, there is a clear decrease in the presence of women in these roles. Simultaneously, the gender pay gap, favoring men, remains.



*Pay gap in favor of men

The Upward Spiral Of Representation & Pay Disparity

In an overarching view of the Israeli tech ecosystem, men maintain a prevalent presence in high-income salaries and exhibit greater representation in the upper quartiles.

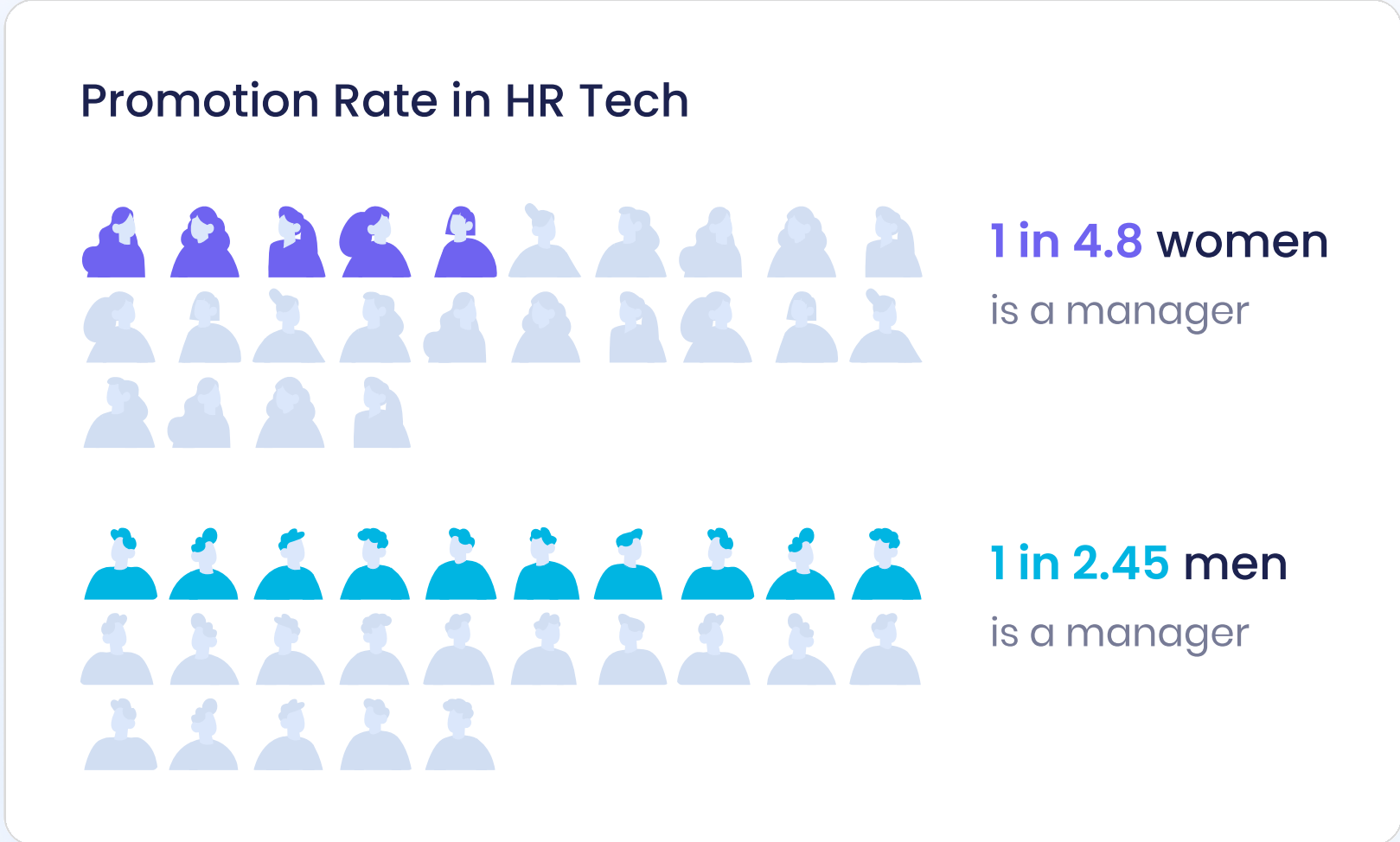
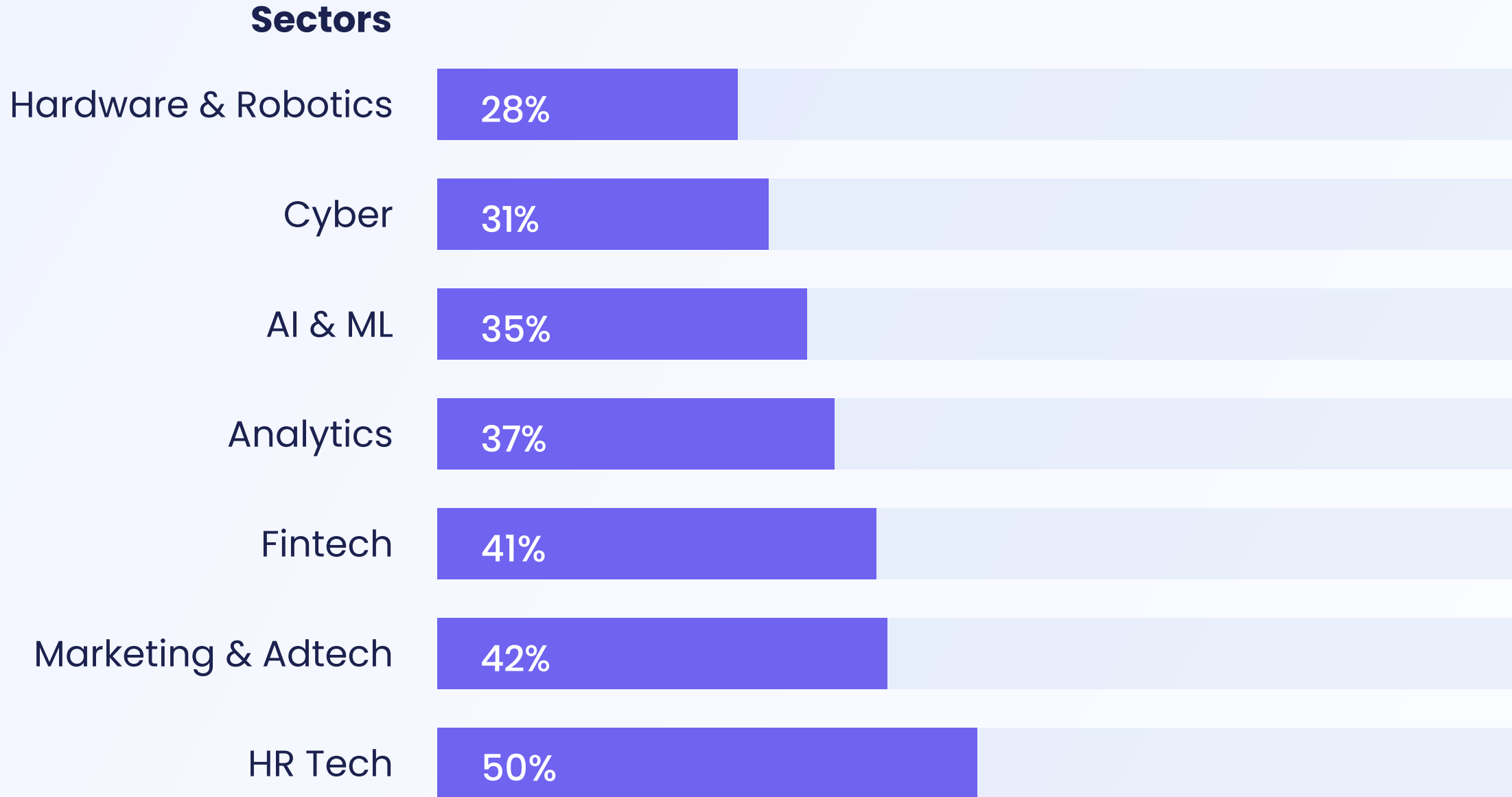


The Paradox Of Promotional Disparities

In the Israeli tech industry, where most sectors exhibit a male-dominated composition, HRtech stands out as the sole sector boasting an equal gender ratio.

Despite this equality, there exists a notable disparity in promotion rates, with men being nearly twice as likely to advance compared to their female counterparts.

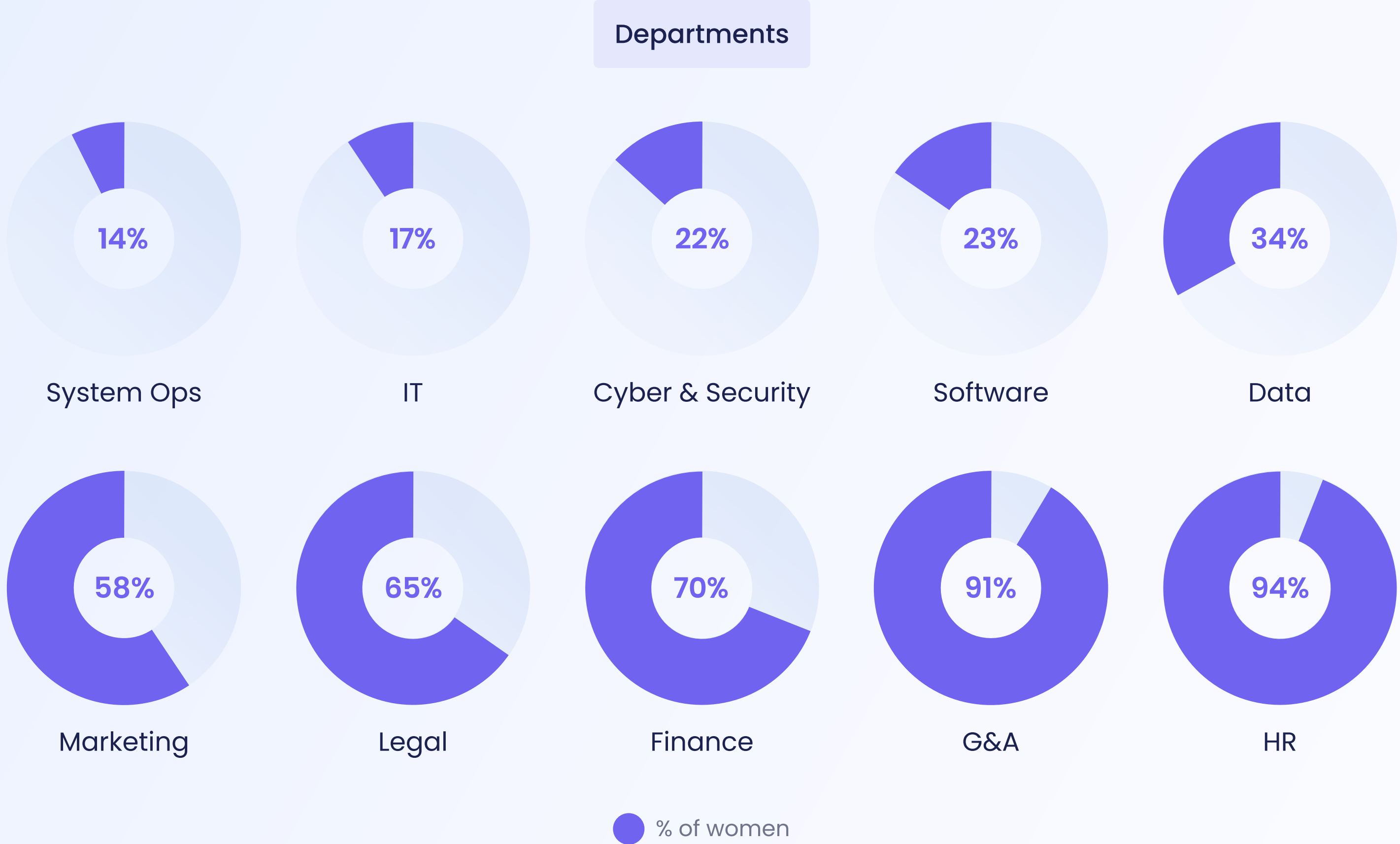
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● % of women

Inside The Teams

Despite advancements in workplace diversity, women continue to face underrepresentation in more technology-oriented departments.



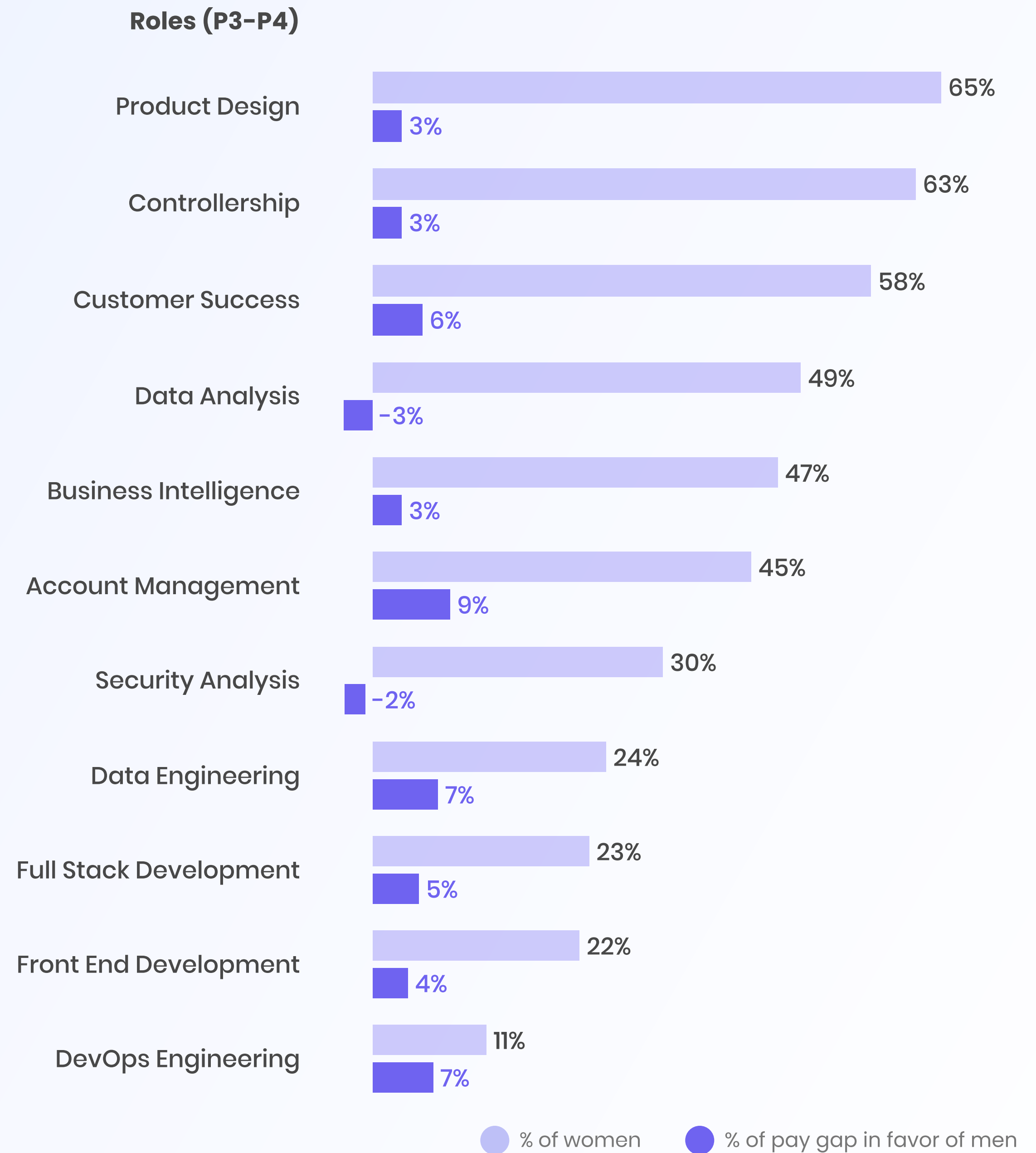
Inside The Roles

Since the majority of the tech workforce is concentrated in professional roles, particularly at the intermediate and senior levels*, disparities in salaries within these positions could contribute to the larger gender pay gap and reduced representation of women as they progress up the ladder to management and executive levels.

Data & Security Analysis roles exhibit gender pay gaps in favor of women.

*Selected Compete roles, levels P3-P4 with sufficient data for both genders

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The Early Stage Gaps

The low ratio of women and salaries in seed stage funding may deter women from working in these companies. This lack of female representation in pivotal roles where foundations are laid and strategies are set is a red flag.

Funding Stage	Highest Quartile (%)	Mid High Quartile (%)	Mid Quartile (%)	Lowest Quartile (%)	Women Ratio (%)	Avg. Pay Gap (%)*
Seed	9	19	31	48	22	26
Round A	14	29	37	54	29	22
Round B+C	17	29	41	56	33	22
Round D	16	28	40	55	28	19
Public	17	34	44	57	31	23

*Pay gap in favor of men



Jeff Shapiro

Partner Human Capital



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Addressing gender pay gaps in growing startups is crucial for fostering an inclusive work environment. Inclusive work environments lead to better collaboration which leads to more innovation. Companies that ensure equitable compensation for all employees regardless of gender, enhance the company's reputation, attracting top talent and likely leading to better business performance.

Disparities In Deep Tech

Women encounter barriers when attempting to enter deep tech sectors, leading to lower achievement of higher salary percentiles.

Sector	Highest Quartile (%)	Mid High Quartile (%)	Mid Quartile (%)	Lowest Quartile (%)	Women Ratio (%)	Avg. Pay Gap (%)
Cyber	13	23	36	52	31	22
AI & ML	16	28	38	53	35	23
Fintech	21	31	49	61	41	21
Analytics	18	31	42	53	37	22
Hardware & Robotics	15	22	31	46	28	20
Marketing & Adtech	19	42	47	64	42	24

*Pay gap in favor of men

Inequality In Israel's Periphery

Women in Jerusalem experience relatively easier access to the tech industry; however, despite their rapid entry, they often encounter limitations in achieving high income levels.

Location	Highest Quartile (%)	Mid High Quartile (%)	Mid Quartile (%)	Lowest Quartile (%)	Women Ratio (%)	Avg. Pay Gap (%)*
Central	17	30	41	55	36	22
Jerusalem	18	37	47	63	42	22
North	17	32	34	49	34	18
South	16	23	39	43	31	20

*Pay gap in favor of men

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Trusted by leading companies such as Uber, Fiverr, IronSource, Lightricks, Cato Networks, and others, Compete empowers HR, CEOs, and finance leaders to plan their people budget effectively, hire and retain top talent, and ensure equal pay for equal work.

1. Join Compete for deeper insights into your gender pay gaps
2. Seamlessly bridge pay gaps
3. Earn a badge signifying your company's commitment to fairness and equality



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Legal Requirements For Salary Transparency

In Israel, the obligation to prepare and publish wage gap reports, initially introduced in 2020, applies to employers with over 518 employees.

By June 1st of each year, employers must produce two reports: an internal report and a public report, detailing gender wage gaps for the previous calendar year:

The **Internal Report** includes detailed data on average monthly salaries of female and male employees by business segment, highlighting any salary gaps in percentages.

The **Public Report**, based on the Internal Report, provides general information on gender wage gaps, ensuring compliance with legal requirements.

Furthermore, employers subject to reporting obligations must also furnish each employee with information about their employee group, including classifications, positions, and wage differentials, annually alongside the Internal Report, provided it aligns with legal requirements.

As the deadline of June 1, 2024, approaches for publishing the annual reports for 2023, it's advisable to ensure full preparedness.



Simcha (Sim) Koevary

Corporate Partner



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As I witness the increasing number of strong women in leading high-tech positions, signaling positive change, It is clear to me that we still have a long way to go. Closing gender pay gaps is not just about fairness or compliance; its the right thing to do. Period.

Meritocracy should control salaries, not gender.

Companies that prioritize equal pay not only attract diverse talent but also enhance their reputation and long-term success, as gender equality is both a strategic advantage and a moral imperative.

How Can Gender Pay Gaps Affect Your Business?



Performance Employees who feel essential and fairly compensated are more satisfied and more invested in their work. A female worker who feels undervalued because of the pay gap is most likely to underperform. Since there is hardly an incentive for her to go the extra mile, it affects her productiveness.

Retention When employees realize a gender wage gap, it has a direct negative effect on employee retention. She's likely to consider other employment opportunities with a better pay structure if she is paid less than her male counterparts for similar work. The turnover alone makes uncost effective.

Employee Morale Young women are incredibly demotivated by inequality and tend to feel less proud to work for an employer with a gender pay gap

Branding For whatever reason, gender inequality has been a hot topic in the media. A case of unequal pay for women in the workplace can go viral, with disastrous results to your company's branding and reputation.

Tools To Combat Pay Gaps



✓ Take a yearly internal pay-gaps survey (even if you are not required to by law)

✓ Embed your survey into your organizational culture

✓ Communicate and explain the results to your people, management, and board

✓ Make a bold statement showcasing your position regarding equal pay

✓ Train your managers to understand the importance of maintaining equal pay and the damage gender-based pay gaps can cause to their success, leadership, and company

✓ Communicate equal-pay stance across website, job postings, interviews. Establish clear policy on equal pay, emphasize gender parity, with concise version on website.

✓ State company equal-pay position as a disclaimer on your website, job postings and interviews

✓ Review your employee annual earnings, identify the trend and salary outlines. Then make an effort to raise the compensation of any female employee who is underpaid compared to an equivalent male colleague who holds the same position

About Power In Diversity

Power in Diversity (PID) is a joint venture of 75 Israeli VC firms and 200 Israeli start-ups, coming together to strengthen the Israeli tech ecosystem through diversity, equity and inclusion.

At Power in Diversity, we are the industry.

We work from the inside to address the demand for DEI in the Israeli tech ecosystem.

Unlike other nonprofits that work with candidates, we work alongside tech companies as we believe that it is impossible to truly recruit and retain diverse populations without the proper infrastructure and knowhow.

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Thank You!

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