



CFA Society
Cincinnati

October 2015

A decorative graphic consisting of five vertical bars of different colors (purple, blue, green, yellow, light blue) at the top, which transition into a funnel shape that widens downwards. The funnel is divided into five colored sections corresponding to the bars above. The text '2015' is in green and 'FINANCIAL COMPENSATION SURVEY' is in blue, separated by a vertical line.

2015 | FINANCIAL COMPENSATION SURVEY



As a premier professional organization for investment professionals in our region, CFA Society Cincinnati is dedicated to being a reliable and trustworthy source of information. We strive to serve our members by providing them the resources to aide in their career development and advancement.

New for our market, we are excited to announce the highly anticipated findings of the 2015 Financial Compensation Survey. This survey, which had been void in the market since 2007, provides a region-specific analysis of compensation levels for investment and financial professionals. This document captures the findings of this survey, providing an overview of the survey-wide results.

For those who participated in the survey, I thank you for your contribution to this important market resource. I am confident the information shared in this document will be of value to you.

Regards,



Nolan Bean, CFA

President, CFA Society of Cincinnati



Executive Summary

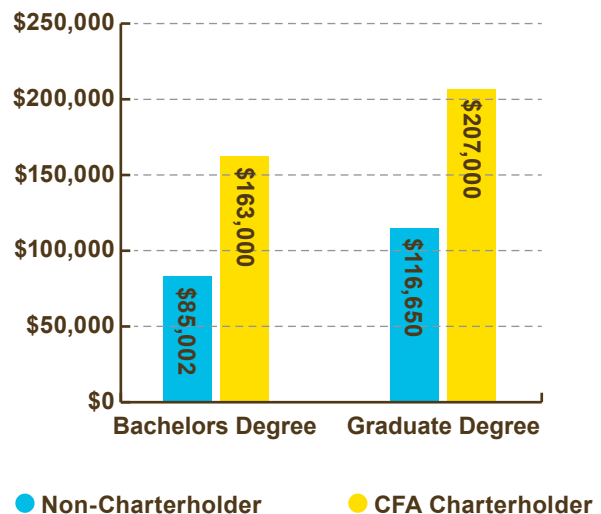
Access to accurate and data-driven information plays a significant role in the ability of financial and investment professionals to effectively perform in their careers. The same is true to successfully advance one's career. However, since 2007 this source of data has been missing, spurring the deployment of the 2015 Financial Compensation Level Survey, by CFA Society Cincinnati.

Remaining true to the stated commitment to provide an accurate snapshot of the compensation levels for the entire financial and investment industry, the survey findings are presented to demonstrate compensation based on the most popular positions and other demographics.

Given the imperative to accurately, albeit broadly, define compensation levels of financial professionals in the Cincinnati region, CFA Society Cincinnati conducted a self-reporting survey. This primary research examines the impact of variables (e.g. tenure, title, CFA designation, education, et al) on compensation levels. In addition, compensation components and desired pay structure were captured, as were annual salary change data. The results are meant to provide a general snapshot of the current state of the market.

Data shows professionals who invest their time in attaining advanced degrees and CFA certification tend to have higher compensation levels than those who don't.

Median Total Compensation

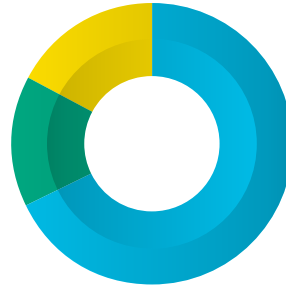




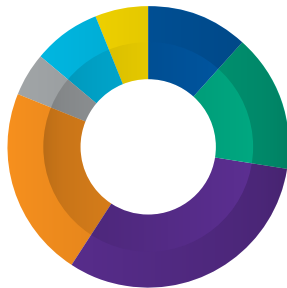
Years of Experience

● <2 years	5%
● 2 to <5 years	16%
● 5 to <10 years	25%
● 10 to <20 years	33%
● 20 years or more	22%

Charterholder Status



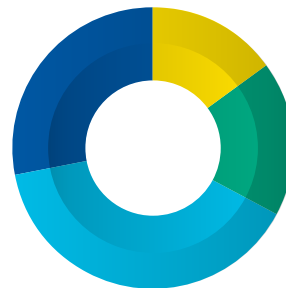
● Charterholder	68%
● None	15%
● Candidate	17%



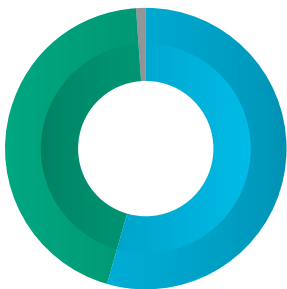
AUM of Firm

● <\$500 million	12%
● \$500 to <\$2 billion	16%
● \$2 to <\$10 billion	32%
● \$10 to <\$50 billion	22%
● \$50 to <\$100 billion	5%
● \$100 billion or more	8%
● Not applicable	6%

Likelihood of Looking for New Role in 2015



● Very Likely	15%
● Likely	18%
● Unlikely	39%
● Very Unlikely	28%



Education

● Some college but no degree	0%
● Associate degree	0%
● Bachelor degree	54%
● Graduate degree	44%
● Doctorate	1%

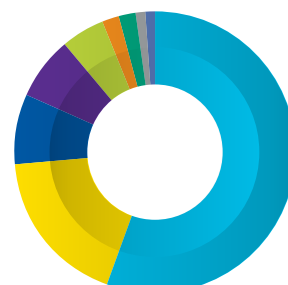


Fifteen Most Common Job Titles



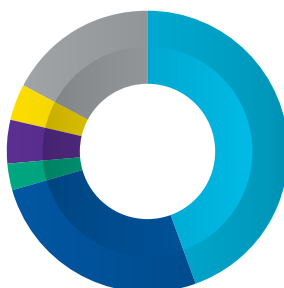
● Portfolio Manager (equities)	14%
● Bank/Private Client Portfolio Manager	11%
● Buy-side Research Analyst (equity)	8%
● Financial Advisor/Broker	7%
● Buy-side Research Analyst (fixed income)	7%
● Chief Investment Officer	7%
● Portfolio Manager (fixed income)	5%
● Portfolio Manager (indexed/other)	3%
● Private Client Professional (other)	3%
● Risk Manager	3%
● Strategist	3%
● Consultant	3%
● Manager of Managers	3%
● Institutional Sales Representative/ Relationship Manager	2%
● Performance Analyst	2%

Organization Type



● Investment management firm	55%
● Investment bank, commercial bank, brokerage firm	18%
● Insurance company	8%
● Other	7%
● Consulting, accounting, law firm	5%
● Endowment, foundation, other not-for-profit	2%
● Family office	2%
● Hedge fund or fund of hedge funds	1%
● Corporate plan sponsor	1%
● Educational institution	1%

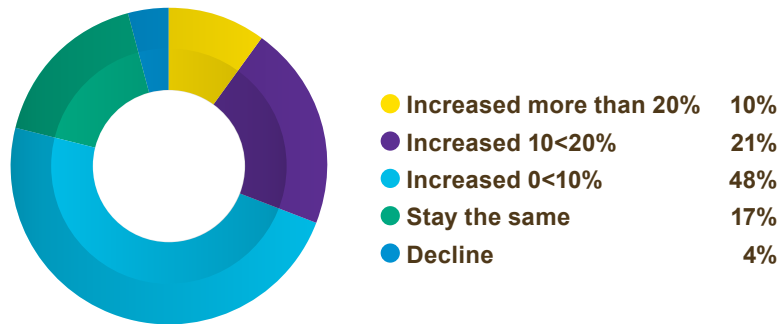
Employer Size



● <50	44%
● 50 to <250	26%
● 250 to <500	3%
● 500 to <2,500	5%
● 2,500 to <5,000	4%
● 5,000 or more	17%



Change in Total Compensation

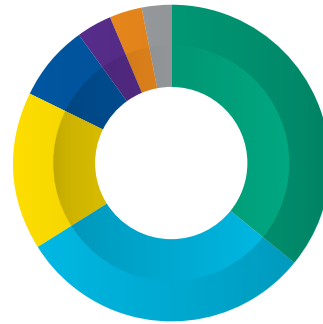


Primary Determinant of Bonus



Overall firm performance	26%
Business unit/division performance	19%
Discretionary	18%
Other factors related to individual performance	18%
Individual investment performance	12%
Individual financial contribution	5%
Commissions generated	2%

Other Forms of Compensation



Cash bonus performance	88%
Employer 401(k) contributions	74%
Profit sharing	40%
Restricted stock awards/phantom share	19%
Deferred/multi-year earnings	9%
Commission/sales bonus	8%
Stock options	7%



Median Total Compensation by Occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Bank/Private Client Portfolio Manager	120,000	27	25,000	23	10,000	27	143,350	27
75th Percentile	142,500		40,000		17,875		202,500	
Buy-side Research Analyst (equity)	85,500	20	18,000	18	4,320	21	105,000	21
75th Percentile	121,250		28,750		10,965		142,000	
Buy-side Research Analyst (fixed income)	86,000	17	17,000	17	10,125	17	114,750	17
75th Percentile	103,000		25,000		16,170		159,000	
Chief Executive Officer/Chief Financial Officer	140,000	5	37,500	6	8,375	6	230,535	6
75th Percentile	180,000		96,500		27,018		305,268	
Chief Investment Officer	187,500	16	39,000	13	24,000	17	275,000	7
75th Percentile	206,000		159,000		45,500		373,000	
Consultant	110,000	7	20,000	7	10,000	7	140,000	7
75th Percentile	250,000		75,000		49,000		469,000	
Financial Advisor/Broker	162,000	17	25,000	15	18,890	18	228,500	18
75th Percentile	219,000		44,652		35,500		287,075	
Institutional Sales Representative/ Relationship Manager	165,000	6	40,000	5	19,700	6	206,500	6
75th Percentile	191,250		95,000		42,688		294,688	
Manager of Managers	125,000	7	22,500	6	12,765	7	153,002	7
75th Percentile	150,000		32,500		36,875		212,875	
Marketing Manager	70,000	5	n/a	n/a	4,000	5	74,500	5
75th Percentile	103,000		n/a		5,000		142,000	
Performance Analyst	58,000	6	n/a	n/a	3,750	6	66,860	6
75th Percentile	67,750		n/a		4,875		83,430	
Portfolio Manager (equities)	150,000	36	45,000	33	20,000	37	248,000	37
75th Percentile	200,000		150,000		52,500		374,500	

continued»



Median Total Compensation by Occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (fixed income)	168,000	13	75,000	13	27,600	13	258,000	13
75th Percentile	179,400		95,000		42,500		298,000	
Portfolio Manger (indexed/other)	91,750	8	23,750	8	4,550	8	125,425	8
75th Percentile	115,625		34,813		6,325		170,975	
Private Client Professional (other)	77,370	8	28,500	8	6,750	8	120,000	8
75th Percentile	107,125		42,750		11,000		164,375	
Risk Manager	84,500	8	10,000	7	6,500	8	98,900	8
75th Percentile	130,250		22,500		9,275		159,875	
Strategist	119,150	8	30,000	7	20,500	8	159,650	8
75th Percentile	134,125		32,000		24,500		185,625	



Reported Median Compensation for Those With More Than 20 Years of Experience for Selected Occupations

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (equities)	183,500	18	65,000	19	27,500	19	297,500	19
Portfolio Manager (fixed-income)	179,400	5	95,000	5	28,000	5	298,000	5
Financial Advisor/Broker					44,100	5	227,000	5
Buy-side Research Analyst (equity)								
Buy-side Research Analyst (fixed-income)								
Institutional Sales Representative/ Relationship Manager								
Chief Investment Officer	200,000	9	135,000	7	39,500	9	279,500	9
Bank/Private Client Portfolio Manager								

Chart includes most popular job titles; cells in gray represent five or fewer responses.

Median total compensation for those with more than 20 years of experience was \$283,650



Reported Median Compensation for Those With 10 to Less Than 20 Years of Experience for Selected Occupations

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (equities)	125,000	12	21,000	9	7,000	12	168,000	12
Portfolio Manager (fixed-income)	154,000	6	77,500	6	35,050	6	241,250	6
Financial Advisor/Broker	161,000	10	37,000	10	11,625	10	236,000	10
Buy-side Research Analyst (equity)	125,000	5	45,621	5	12,000	5	181,586	5
Buy-side Research Analyst (fixed-income)								
Institutional Sales Representative/ Relationship Manager	150,000	5	40,000	5	35,000	5	218,000	5
Chief Investment Officer	165,000	7	30,500	6	15,050	8	165,650	8
Bank/Private Client Portfolio Manager	125,000	9	37,000	7	12,750	9	175,000	9

Median total compensation for those with 10<20 years of experience
was \$193,000



Reported Median Compensation for Those With 5 to Less Than 10 Years of Experience for Selected Occupations

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (equities)	106,250	6	28,000	5	3,900	6	129,750	6
Portfolio Manager (fixed-income)								
Financial Advisor/Broker								
Buy-side Research Analyst (equity)	86,500	6	13,000	6	4,650	6	99,150	6
Buy-side Research Analyst (fixed-income)	89,700	5	16,550	5	12,750	5	114,750	5
Institutional Sales Representative/ Relationship Manager								
Chief Investment Officer								
Bank/private Client Portfolio Manager	105,000	11	15,000	11	7,935	11	113,200	11

Median total compensation for those with 5<10 years of experience
was \$119,625



Reported Median Compensation for Those With Less Than 5 Years of Experience for Selected Occupations

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (equities)								
Portfolio Manager (fixed-income)								
Financial Advisor/Broker								
Buy-side Research Analyst (equity)	62,000	7	9,000	6	3,000	8	63,750	8
Buy-side Research Analyst (fixed-income)	71,500	8	13,000	8	6,000	8	87,000	8
Institutional Sales Representative/ Relationship Manager								
Chief Investment Officer								
Bank/private Client Portfolio Manager								

Median total compensation for those with <5 years of experience
was \$77,000



Compensation by Employer Size

Breakdown by Assets & Employee Size	Base	N	Bonus	N	Total Comp	N
Under \$500 million						
Under 50	90,000	26	22,500	20	124,500	29
50 to less than 250						
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more						
\$500 million to less than \$2 billion						
Under 50	115,000	35	25,000	30	172,750	36
50 to less than 250						
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more						
\$2 billion to less than \$10 billion						
Under 50	123,600	41	26,500	38	143,670	41
50 to less than 250	105,000	29	24,000	29	145,000	29
250 to less than 500						
500 to less than 2,500	89,700	5	10,000	5	108,941	5
2,500 to less than 5,000						
5,000 or more	147,500	5	30,000	5	205,500	5
\$10 billion to less than \$50 billion						
Under 50						
50 to less than 250	131,250	28	45,000	25	171,750	28
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000	80,000	5	20,000	5	124,000	5
5,000 or more	125,000	13	29,000	13	224,500	13



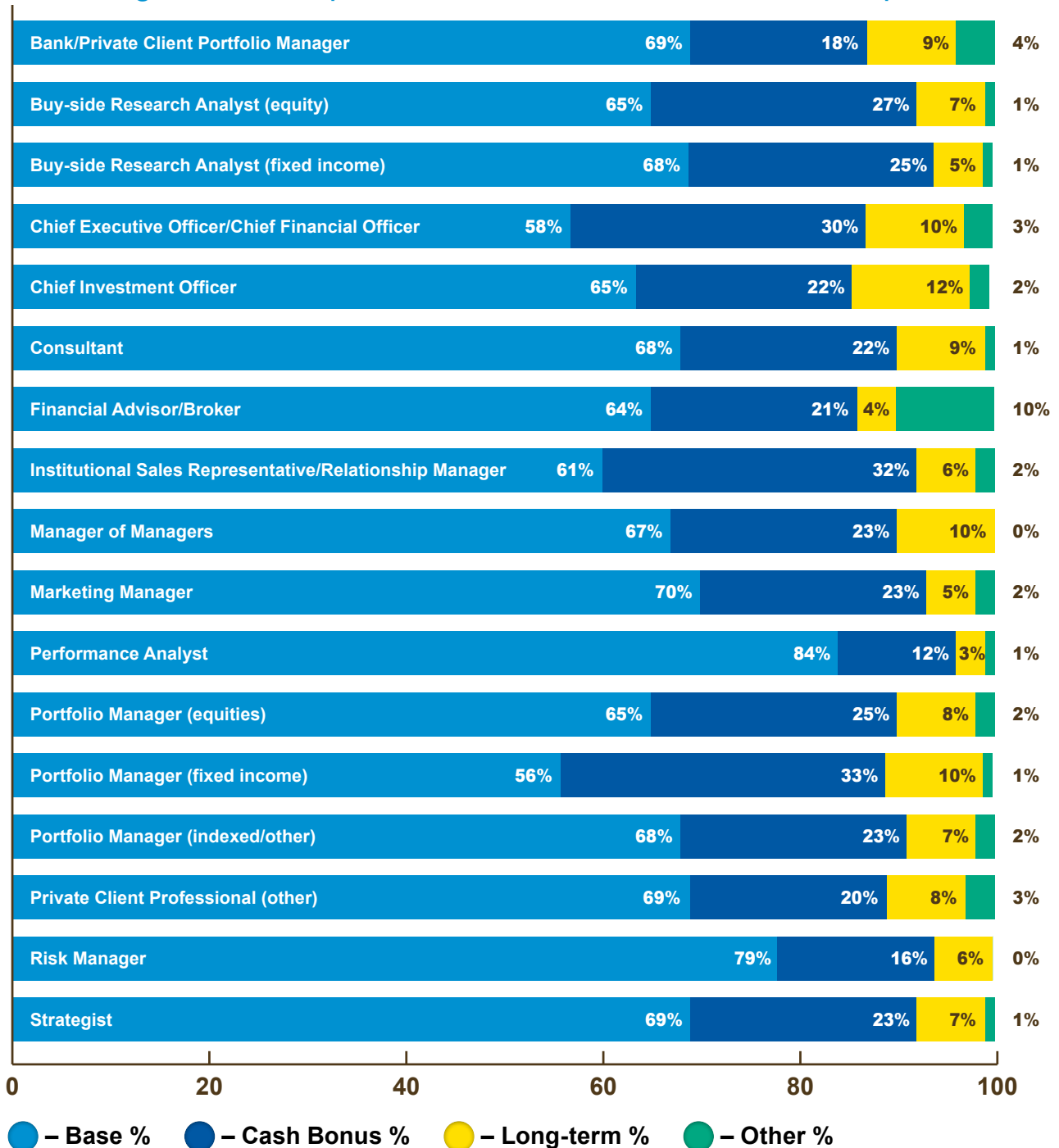
Compensation by Employer Size

Breakdown by Assets & Employee Size	Base	N	Bonus	N	Total Comp	N
\$50 to less than \$100 billion						
Under 50						
50 to less than 250	125,000	5	25,000	5	153,002	5
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more						
Over \$100 billion						
Under 50						
50 to less than 250						
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more	100,000	17	34,000	17	160,000	17
Not Applicable						
Under 50						
50 to less than 250						
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more	79,000	5			86,000	5

Additional detailed analysis of this compensation breakdown is available upon request from CFA Society Cincinnati.

"Not Applicable" represents the various organizations financial professionals work for that do not manage assets or investments.

Average Ideal Compensation Structure for Selected Occupations





Survey Methodology

Method

An online survey was deployed to known financial professionals in the region represented by CFA Society Cincinnati. Email subscribers of CFA Society Cincinnati and LinkedIn group members were specifically targeted. The survey was not limited to just these audiences. In addition, this survey was structured so all data gathered was anonymous, with no identifiable information requested.

Respondents

Respondents are financial and investment professionals, totaling 281 unique and completed responses.

Timing

The survey was active from April 15, 2015 – May 11, 2015.

Assumptions

The findings from this survey were derived from self-reported data. Because the survey uses sampling methodology and broadly defined positions, survey findings are not necessarily representative of the total population; rather, the survey is designed to provide general information about pay levels within the industry. Earning any degree or professional designation is no guarantee of employment or compensation.



About CFA Society Cincinnati

CFA Society Cincinnati is the premier professional organization for investment professionals to connect with Chartered Financial Analysts in the Cincinnati area and throughout the Midwest five-state region. With members in five states and a wide variety of industries, CFA Society Cincinnati strives to serve its broad membership through relevant educational programming, membership support services and opportunities for advancement such as networking events and discounts on educational materials.

If you are interested in learning more about earning your charter, or to learn more about CFA Society Cincinnati, contact admin@cfacincinnati.org.

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