



CFA Society
Cincinnati

November 2016



CFA Society
Cleveland



CFA Society
Columbus



CFA Society
Dayton



**2016 FINANCIAL
COMPENSATION SURVEY**
FINDINGS AND RESULTS



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2016 FINANCIAL COMPENSATION REPORT LETTER FROM SOCIETY LEADERSHIP

Dear Colleagues,

As premier professional organizations for investment professionals, the CFA Societies of Ohio are dedicated to being reliable and trustworthy sources of information. Each Society strives to serve members by providing them the resources to aid in their career development and advancement.

We are excited to announce the highly anticipated findings of the *2016 Financial Compensation Survey*. The survey provides a region-specific analysis of compensation levels for investment and financial professionals. This whitepaper captures the findings of the survey, providing an overview of the survey-wide results.

For those who participated in the survey, we thank you for your contribution to this important market resource. We are confident the information contained in this document will be of value to you.

Regards,

Nate Bishop, CFA
President, CFA Society Cincinnati

John Silvis, CFA
President, CFA Society Cleveland

Josh Frazier, CFA
President, CFA Society Columbus

Dave Avdakov, CFA
President, CFA Society Dayton

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.

The 2016 CFA Societies Financial Compensation Survey seeks to provide access to this vital information. This report is a compilation of the results from a survey on compensation practices throughout Ohio conducted earlier this year; 410 professionals completed the survey.

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.

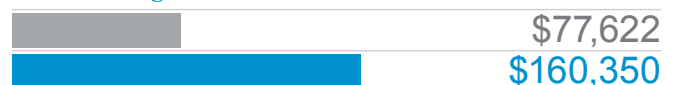
The survey requested self-reported data on numerous aspects of compensation. In addition to covering base salary and total compensation, the survey addressed the respondent's CFA Charterholder status, level of education, and occupation. Information on the type and size of the firm as well as the amount of assets under management were included in the survey. The survey captured annual salary change data and the respondent's view on the adequacy of compensation and the desire to explore other job opportunities.

The 2016 Financial Compensation Survey data and exhibits are intended to provide general guidance for comparing compensation levels with overall values for key categories. Note that actual compensation potential may vary relative to the numbers generated by the survey given the use of relatively broad category definitions. Also, the estimation of compensation based on any single factor may not predict reasonably accurate estimates. Details surrounding actual job responsibilities and the confluence of multiple factors may result in higher or lower compensation levels.

Our data show that professionals who attain the CFA designation and/or a graduate degree tend to have higher compensation levels.

Median total compensation

Bachelor degree



Graduate degree



● Non-Charterholder

● CFA Charterholder

Years of experience

< 2 years	5.0%
2 – 5 years	13.0%
5 – 10 years	28.0%
10 – 20 years	32.0%
20 + years	22.0%

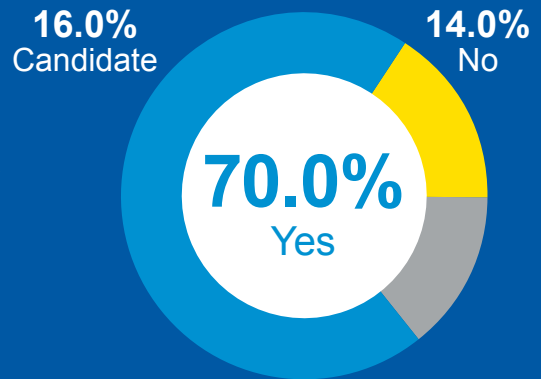
Education

Some college but no degree	0.2%
Associate degree	0.0%
Bachelor degree	48.3%
Graduate degree	50.2%
Doctorate	1.2%

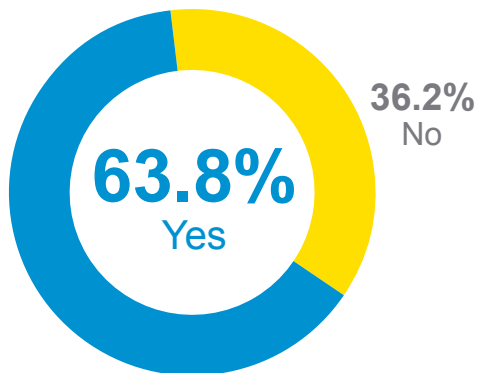
95.5%

of those surveyed report that CFA® Charter designation has helped career

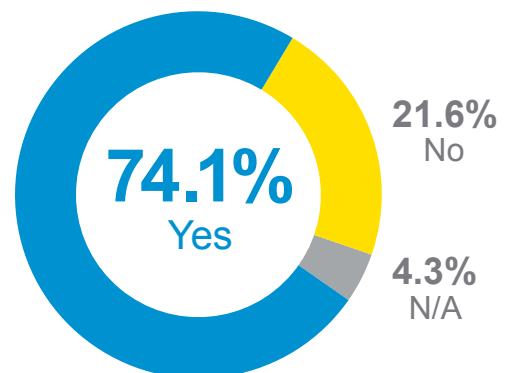
Charterholder status









Feel fairly compensated



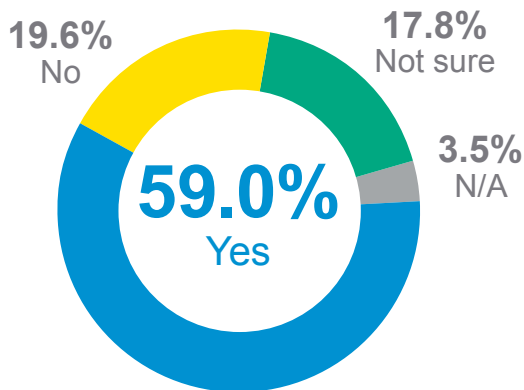
Feel valued by their company



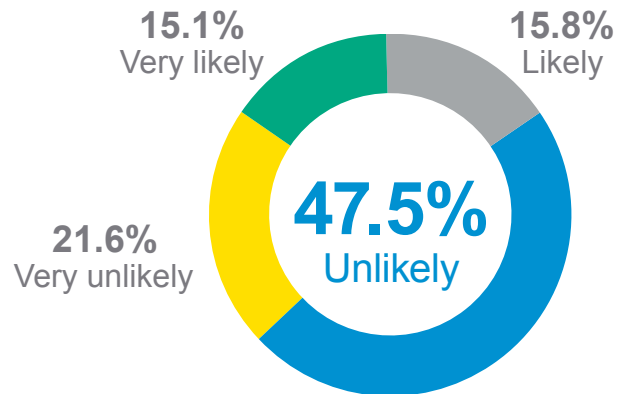
Employer size

< 50		28.0%
50 to < 250		25.0%
250 to < 500		4.0%
500 to < 2,500		12.0%
2,500 to < 5,000		4.0%
≥ 5,000		27.0%








Opportunity for advancement within company



Likelihood of looking for a new role in 2016



AUM of firm

< \$500 million		10.0%
\$500 million to < \$2 billion		10.0%
\$2 billion to < \$10 billion		17.0%
\$10 billion to < \$50 billion		23.0%
\$50 billion to < \$100 billion		17.0%
≥ \$100 billion		11.0%
Not applicable		13.0%

Fifteen most common occupations

Portfolio Manager (equities)	10.7%
Bank/Trust/Private Client Portfolio Manager	7.1%
Financial Advisor/Broker	7.1%
Portfolio Manager (fixed income)	6.8%
Buy-side Research Analyst (fixed income)	6.3%
Buy-side Research Analyst (equity)	5.6%
Financial Analyst (corporate)	4.6%
Chief Investment Officer	3.9%
Consultant	3.9%
Manager of Managers	3.2%
Sell-side Research Analyst (equity)	3.2%
Portfolio Manager (indexed/other)	2.9%
Private Client Professional (other)	2.9%
Risk Manager	2.7%
Strategist	2.4%

Organization type

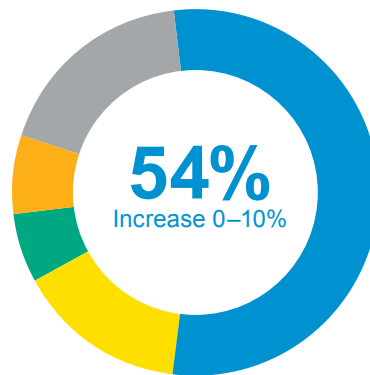
Investment Management Firm	37.0%
Investment Bank, Commercial Bank, Brokerage Firm	21.0%
Other	11.0%
Insurance Company	10.0%
Government Agency/Department	6.0%
Consulting, Accounting, Law Firm	6.0%
Endowment, Foundation, Other Not-for-Profit	3.0%
Family Office	2.0%
Corporate Plan Sponsor	1.0%
Educational Institution	1.0%
Hedge Fund or Fund of Hedge Funds	1.0%

Types of compensation in addition to base salary

Cash/Bonus Performance	85.0%
Employer 401(k) Contributions	74.0%
Profit Sharing	24.0%
Restricted Stock Awards/Phantom Shares	20.0%
Commission/A Sales Bonus	9.0%
Deferred/Multi-Year Earnings	8.0%
Stock Options	5.0%

Overall firm performance and business unit/division performance were the top two determinants of bonus

Expected change in total compensation



Decline	6.0%
Stay the same	15.0%
Increase 10–20%	18.0%
Increase > 20%	7.0%

Average ideal compensation structure for selected occupations

Occupation	Base	Cash bonus	Long term	Other
Portfolio Manager (equities)	60.1%	26.6%	7.5%	5.8%
Financial Advisor/Broker	63.1%	21.7%	7.8%	7.4%
Bank/Trust/Private Client Portfolio Manager	69.5%	20.9%	9.6%	0.0%
Buy-side Research Analyst (fixed income)	60.0%	31.0%	6.5%	2.6%
Portfolio Manager (fixed income)	66.4%	22.8%	9.6%	1.3%
Buy-side Research Analyst (equity)	64.9%	27.0%	8.2%	0.0%
Financial Analyst (corporate)	79.2%	15.3%	5.3%	0.3%
Consultant	69.4%	22.5%	7.5%	0.6%
Chief Investment Officer	68.0%	17.0%	8.7%	6.3%
Manager of Managers	72.8%	20.4%	5.4%	1.4%

Median and 75th percentile total compensation by occupation

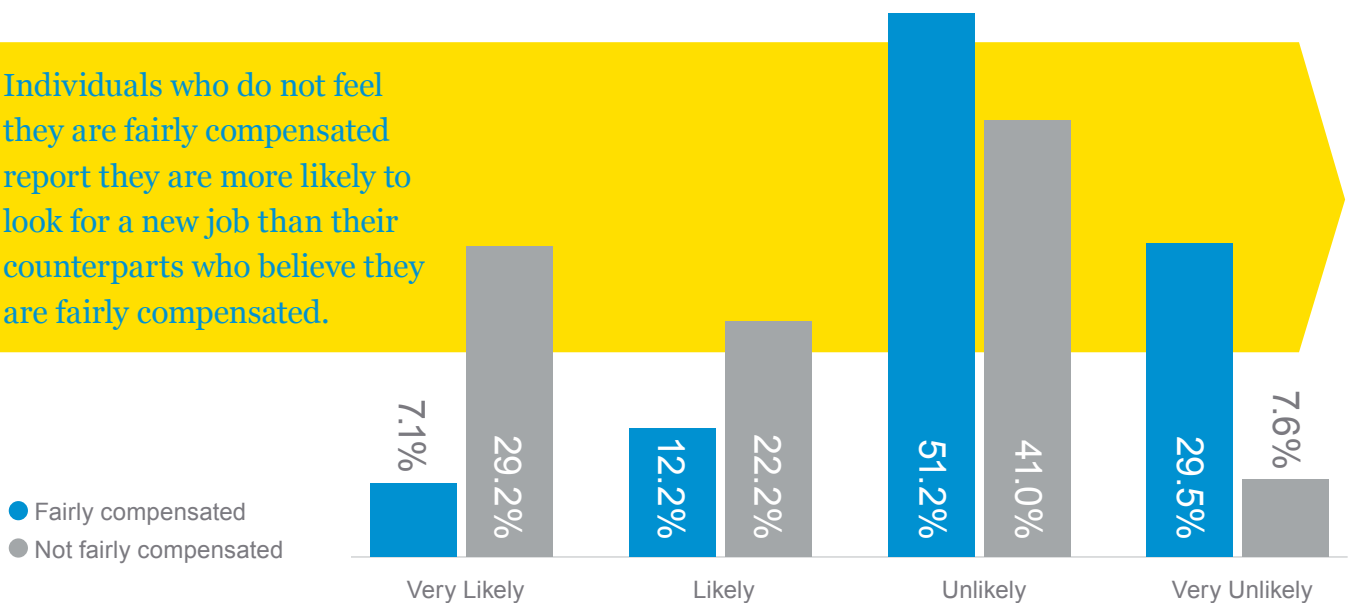
	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (equities)	143,000	43	52,500	38	13,390	44	209,947	44
75th Percentile	177,500		125,000		56,000		311,250	
Bank/Trust/Private Client Portfolio Manager	121,000	28	29,000	28	13,000	29	165,000	29
75th Percentile	151,250		46,250		30,000		229,600	
Financial Advisor/Broker	82,000	23	16,500	22	13,350	29	116,900	29
75th Percentile	110,500		57,500		91,000		232,000	
Portfolio Manager (fixed income)	127,500	28	60,000	26	11,531	28	243,100	28
75th Percentile	180,000		108,000		45,550		305,375	
Buy-side Research Analyst (fixed income)	120,000	26	48,000	25	13,500	26	179,408	26
75th Percentile	143,750		87,000		33,000		268,500	
Buy-side Research Analyst (equity)	92,500	23	16,500	22	2,520	23	135,000	23
75th Percentile	132,500		52,500		4,528		174,000	
Financial Analyst (corporate)	80,000	19	15,000	13	3,500	19	90,000	19
75th Percentile	105,000		24,000		6,000		135,500	
Chief Investment Officer	177,500	16	40,000	12	19,600	16	241,100	16
75th Percentile	225,000		107,500		72,875		388,725	
Consultant	79,241	16	13,000	14	5,250	16	104,918	16
75th Percentile	121,250		16,500		7,688		145,050	
Manager of Managers	131,000	13	41,700	9	12,000	13	175,405	13
75th Percentile	155,000		50,000		40,000		202,000	
Sell-side Research Analyst (equity)	83,000	13	25,000	13	1,350	13	110,001	13
75th Percentile	125,000		55,000		14,250		405,000	

Median and 75th percentile total compensation by occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (indexed/other)	127,000	12	44,000	10	3,350	12	198,250	12
75th Percentile	136,250		86,000		13,875		245,500	
Private Client Professional (other)	93,370	12	24,000	8	8,875	12	134,220	12
75th Percentile	134,500		56,250		30,125		208,125	
Strategist	132,500	10	42,000	9	7,750	10	205,000	10
75th Percentile	160,500		55,000		13,750		235,375	

Compensation satisfaction vs. likelihood of looking for new job

Individuals who do not feel they are fairly compensated report they are more likely to look for a new job than their counterparts who believe they are fairly compensated.



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
Buy-side Research Analyst (equity)	70,500	10	8,400	10	1,800	10	86,150	10
Financial Analyst (corporate)	62,000	9		4	2,500	5	66,500	9
Sell-side Research Analyst (equity)	62,500	8	13,500	8	0	8	85,000	8
Financial Advisor/Broker	60,000	5	5,000	5	2,500	5	73,350	5

Median total compensation for those with less than 5 years of experience is \$73,350

Median total compensation for those with 5 to less than 10 years of experience is \$133,525

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
Buy-side Research Analyst (fixed income)	102,000	15	39,000	14	9,000	15	154,500	15
Portfolio Manager (equities)	110,000	11	30,000	11	3,000	11	153,000	11
Financial Advisor/Broker	75,000	9	24,864	8	21,750	10	133,450	10
Portfolio Manager (fixed income)	100,000	9	43,500	8	10,000	9	111,000	9
Bank/Trust/Private Client Portfolio Manager	97,500	8	17,500	8	15,000	8	132,500	8
Consultant	84,991	6	11,000	5	5,250	6	98,790	6
Buy-side Research Analyst (equity)	85,000	5		4	5,000	5	98,000	5

Note: Cells in gray reflect fewer than five responses.

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)	113,750	14	52,500	12	18,300	15	190,000	15
Portfolio Manager (fixed income)	137,500	10	57,500	10	13,600	10	252,500	10
Risk Manager	106,000	9	41,000	8	6,000	9	150,000	9
Bank/Trust/Private Client Portfolio Manager	137,500	8	38,500	8	30,500	8	213,000	8
Financial Advisor/Broker	99,000	6	36,500	6	10,500	8	117,025	8
Buy-side Research Analyst (equity)	132,500	6	34,000	6	5,500	6	169,500	6
Buy-side Research Analyst (fixed income)	138,000	6	68,000	6	39,125	6	280,075	6
Institutional Sales Representative/Relationship Manager	151,000	5		4	31,120	6	286,120	6
Private Client Professional (other)	93,750	6		3	8,875	6	129,775	6
Chief Investment Officer	225,000	5		4	22,200	5	242,200	5

Median total compensation for those with 10 to less than 20 years of experience is \$187,000

Note: Cells in gray reflect fewer than five responses.

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)	200,000	17	117,000	14	20,000	17	291,000	17
Bank/Trust/Private Client Portfolio Manager	150,000	10	45,000	10	9,600	11	205,800	11
Chief Investment Officer	172,500	9	72,500	6	15,000	9	234,000	9
Portfolio Manager (fixed income)	200,000	7	80,000	7	40,000	7	345,000	7
Financial Advisor/Broker		3		3	122,500	6	323,600	6
Manager of Managers	155,000	5		4	40,000	5	202,000	5

Median total compensation for those with more than 20 years of experience is \$252,400

Note: Cells in gray reflect fewer than five responses.

Survey methodology

Method

The CFA Societies of Cincinnati, Cleveland, Columbus and Dayton shared an online survey with financial professionals in their respective market areas. The survey was structured so all data gathered were anonymous with no identifiable information requested.

Respondents

Respondents were financial and investment professionals, and totaled 410 unique and completed responses.

Timing

The survey was active from April 18 – May 13, 2016.

Assumptions

The findings from this survey were derived from self-reported data. Because the survey used sampling methodology and broadly defined positions, survey findings are not necessarily representative of the total population. 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 the CFA Societies of Ohio

The CFA Societies of Ohio are the premier professional organizations for investment professionals to connect with Chartered Financial Analysts throughout the state. Each Society strives to serve its broad membership through relevant educational programs, membership support services and opportunities for advancement such as networking events, discounts on educational materials, and more.

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