



**2016 FINANCIAL  
COMPENSATION SURVEY**  
FINDINGS AND RESULTS



Dear Colleagues,

As a premier professional organization for investment professionals, CFA Society Indianapolis is dedicated to being a reliable and trustworthy source of information. We strive to serve our 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, which had been void in the market since 2007, 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,

Matt Henry, CFA  
Membership Chair, CFA Society of Indianapolis

## 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 in Indianapolis conducted earlier this year; 154 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.

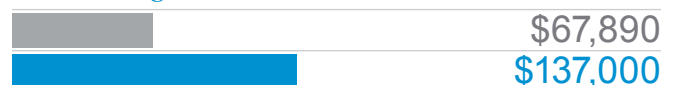
The survey requested self-reported data on numerous aspects of compensation. In addition to covering base salary and total compensation, the survey addressed the respondent's CFA Charterholder status, level of education, and occupation. Information on the type and size of the firm as well as the amount 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	8.0%
2 – 5 years	19.0%
5 – 10 years	28.0%
10 – 20 years	25.0%
20 + years	20.0%

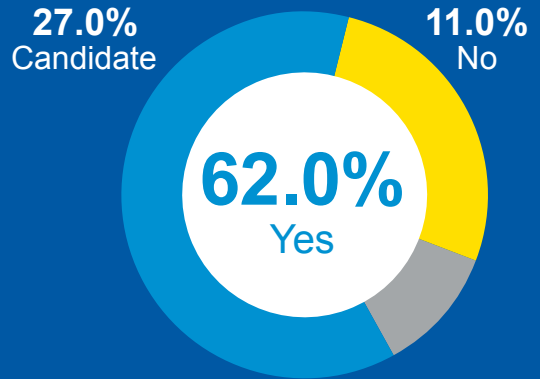
### Education

Some college but no degree	0.6%
Associate degree	0.0%
Bachelor degree	57.8%
Graduate degree	37.7%
Doctorate	3.9%

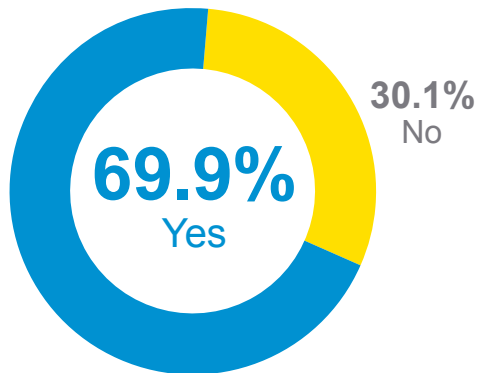
# 96.9%

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

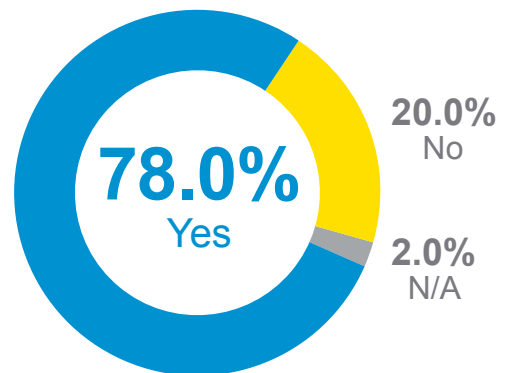
### Charterholder status



### Feel fairly compensated



### Feel valued by their company

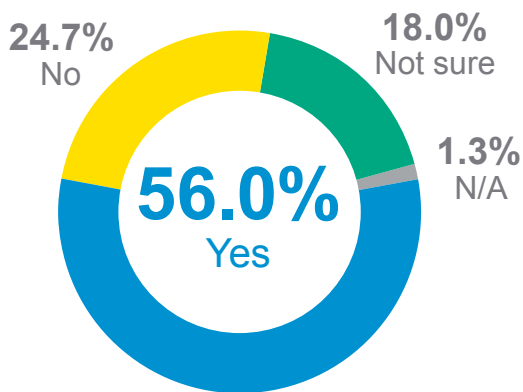




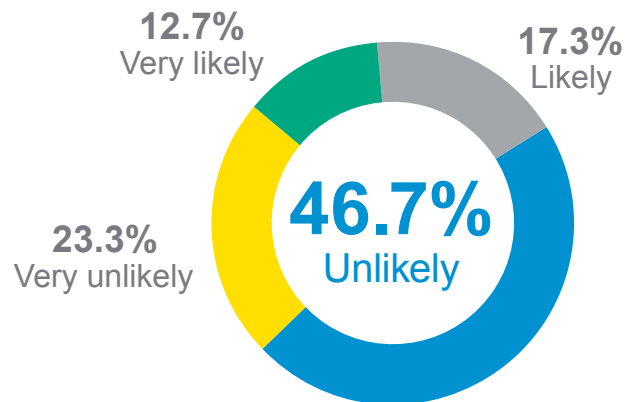
## Employer size

< 50		38.0%
50 to < 250		23.0%
250 to < 500		7.0%
500 to < 2,500		7.0%
2,500 to < 5,000		3.0%
≥ 5,000		21.0%

## Opportunity for advancement within company



## Likelihood of looking for a new role in 2016



## AUM of firm

< \$500 million		18.0%
\$500 million to < \$2 billion		18.0%
\$2 billion to < \$10 billion		16.0%
\$10 billion to < \$50 billion		24.0%
\$50 billion to < \$100 billion		6.0%
≥ \$100 billion		10.0%
Not applicable		8.0%



## Fifteen most common occupations

Financial Analyst (corporate)	9.7%
Financial Advisor/Broker	9.1%
Buy-side Research Analyst (fixed income)	6.5%
Chief Investment Officer	6.5%
Portfolio Manager (equities)	6.5%
Portfolio Manager (fixed income)	6.5%
Bank/Trust/Private Client Portfolio Manager	5.8%
Buy-side Research Analyst (equity)	5.8%
Manager of Managers	4.5%
Accountant/Auditor	3.9%
Buy-side Research Analyst (other)	3.9%
Strategist	3.2%
Client Services	2.6%
Consultant	2.6%
Risk Manager	2.6%

## Organization type

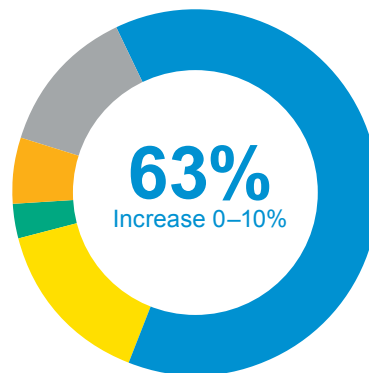
Investment Management Firm	40.0%
Investment Bank, Commercial Bank, Brokerage Firm	16.0%
Insurance Company	15.0%
Other	12.0%
Government Agency/Department	6.0%
Consulting, Accounting, Law Firm	4.0%
Endowment, Foundation, Other Not-for-Profit	3.0%
Corporate Plan Sponsor	1.0%
Educational Institution	1.0%
Family Office	1.0%

## Types of compensation in addition to base salary

Employer 401(k) Contributions	82.0%
Cash/Bonus Performance	78.0%
Profit Sharing	18.0%
Commission/A Sales Bonus	8.0%
Restricted Stock Awards/Phantom Shares	7.0%
Deferred/Multi-year Earnings	4.0%
Stock Options	1.0%

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

## Expected change in total compensation



Decline	3.0%
Stay the same	15.0%
Increase 10–20%	13.0%
Increase > 20%	6.0%

## Average ideal compensation structure for selected occupations

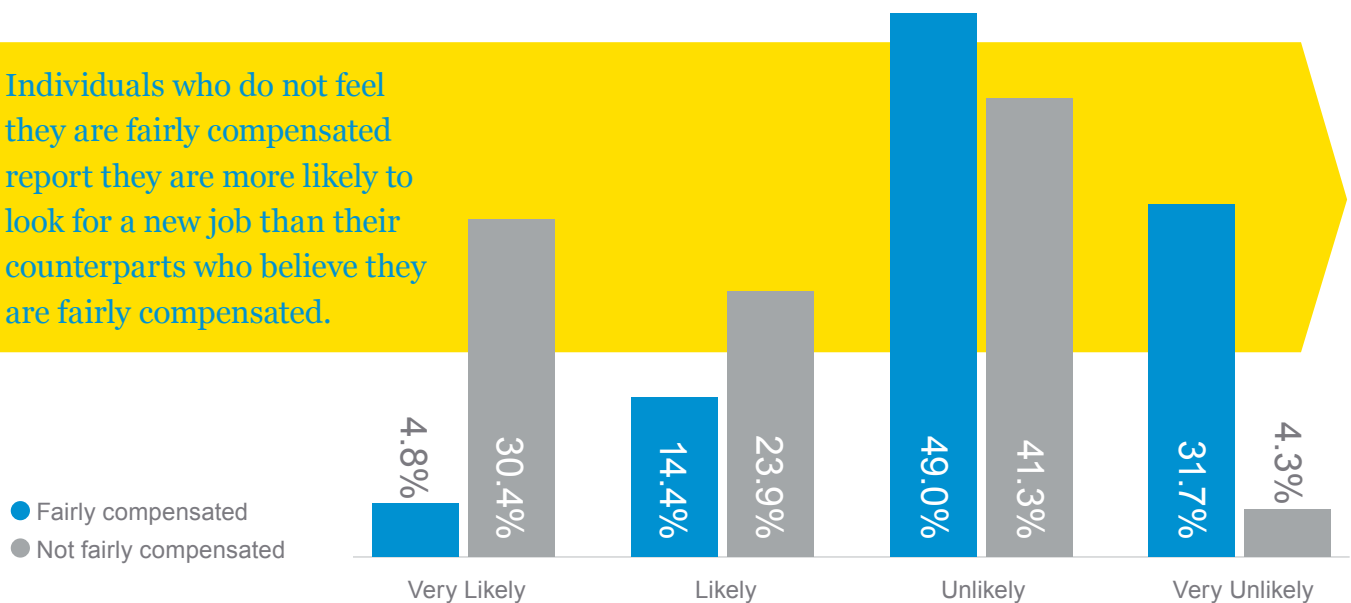
Occupation	Base	Cash bonus	Long term	Other
Financial Advisor/Broker	58.6%	15.4%	4.3%	21.8%
Financial Analyst (corporate)	80.0%	13.1%	6.2%	0.8%
Buy-side Research Analyst (fixed income)	68.0%	27.0%	5.0%	0.0%
Portfolio Manager (equities)	70.0%	14.5%	15.0%	0.5%
Portfolio Manager (fixed income)	69.5%	29.0%	1.5%	0.0%
Chief Investment Officer	82.7%	10.0%	6.5%	0.8%
Buy-side Research Analyst (equity)	75.6%	19.4%	5.0%	0.0%
Bank/Trust/Private Client Portfolio Manager	78.6%	13.3%	6.7%	1.4%
Manager of Managers	76.4%	14.3%	8.6%	0.7%
Accountant/Auditor	82.5%	9.2%	6.3%	2.0%

## Median and 75<sup>th</sup> percentile total compensation by occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Financial Analyst (corporate)	76,000	15	6,000	12	4,000	15	82,000	15
75th Percentile	102,500		13,500		10,250		125,475	
Financial Advisor/Broker	75,000	10	13,500	8	19,150	14	109,975	14
75th Percentile	89,500		26,250		206,288		467,750	
Buy-side Research Analyst (fixed income)	112,500	10	45,400	10	4,500	10	166,250	10
75th Percentile	136,250		120,000		8,175		259,050	
Chief Investment Officer	130,000	10	13,000	6	8,250	10	148,451	10
75th Percentile	168,750		16,500		13,650		183,675	
Portfolio Manager (equities)	130,000	10	21,000	8	7,000	10	134,600	10
75th Percentile	146,250		28,500		24,175		209,500	
Portfolio Manager (fixed income)	156,000	10	82,500	10	8,750	10	255,312	10
75th Percentile	172,688		146,250		17,098		333,500	

## 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
Financial Analyst (corporate)	66,250	8	4,250	6	3,000	8	70,000	8
Buy-side Research Analyst (equity)	61,000	6	14,500	6	625	6	80,500	6

Median total compensation for those with less than 5 years of experience is \$70,050

Median total compensation for those with 5 to less than 10 years of experience is \$107,800

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
Financial Advisor/Broker	62,500	5	18,500	6	4,300	6	87,150	6

### Reported median compensation for those with 10 to less than 20 years of experience for selected occupations

	<b>Base</b>	<b>N</b>	<b>Bonus</b>	<b>N</b>	<b>Other Comp</b>	<b>N</b>	<b>Total Comp</b>	<b>N</b>
Portfolio Manager (fixed income)	168,500	6	130,000	6	6,750	6	329,000	6

Median total compensation for those with 10 to less than 20 years of experience is **\$200,750**

Median total compensation for those with more than 20 years of experience is **\$214,000**

### Reported median compensation for those with more than 20 years of experience for selected occupations

	<b>Base</b>	<b>N</b>	<b>Bonus</b>	<b>N</b>	<b>Other Comp</b>	<b>N</b>	<b>Total Comp</b>	<b>N</b>
Bank/Trust/Private Client Portfolio Manager	130,000	5		4	9,900	5	163,460	5
Portfolio Manager (equities)	150,000	5		4	8,000	5	208,000	5

Note: Cells in gray reflect fewer than five responses.

## Survey methodology

### Method

An online survey was deployed to known financial professionals in the region represented by CFA Society Indianapolis. Email subscribers 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 were financial and investment professionals, and totaled 154 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 CFA Society Indianapolis

CFA Society Indianapolis the premier professional organizations for investment professionals to connect with Chartered Financial Analysts throughout the region. The 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.

CFA Society Indianapolis:

- Promotes ethical and professional standards within the investment industry,
- Encourages professional development through the CFA Program and continuing education,
- Facilitates the exchange of information and opinions among people within the local investment community and beyond, and;
- Works to further the public's understanding of the CFA designation and investment industry.

If you are interested in learning more about earning your charter, or about CFA Society Indianapolis, contact [info@indianapolis.cfasociety.org](mailto:info@indianapolis.cfasociety.org).

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