



CFA Society
Chicago

NOVEMBER 2018



**2018 FINANCIAL
COMPENSATION SURVEY**
FINDINGS AND RESULTS

Dear Colleagues,

CFA Society Chicago, the world's first investment analysts' society, is committed to working with our members and the investment community to achieve our mission through our five organizational pillars of Ethical Leadership, Community, Industry Knowledge, Professional Excellence, and The Greater Good.

A key component of our mission is to serve as the premier local resource for CFA charterholders, CFA exam candidates, and other investment professionals in our community. This effort includes a commitment to share insights that aid our members in developing their careers and achieving their professional goals.

Toward this end, for the second straight year, we have conducted a survey on compensation practices among our members. I am pleased to present a summary of the results in this report, the 2018 Financial Compensation Survey.

I want to thank those who completed the survey. Your contribution to our collective knowledge is appreciated. Your feedback on the survey's content and value is important. Please share with me your questions and comments at info@cfachicago.org.

My best regards,

Thomas Digenan, CFA
Chair of the Board of Directors
CFA Society Chicago

Executive summary

The 2018 Financial Compensation Survey is a compilation of the results of a survey on compensation practices in the Chicago area conducted earlier this year; 662 professionals completed the survey.

The survey requested 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 expected annual salary change data and the respondent's view on the adequacy of compensation and the desire to explore other job opportunities.

The 2018 Financial Compensation Survey data and exhibits are intended to provide general guidance for comparing Chicago-area 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.

94.3%

of respondents holding the CFA®
Charter report that the designation
has helped their career.

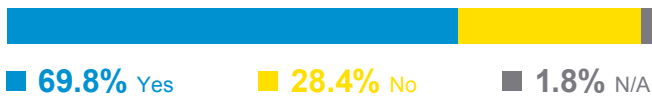
Years of experience

< 2 years	7.5%
2 – 5 years	22.8%
5 – 10 years	25.4%
10 – 20 years	31.5%
20 + years	12.7%

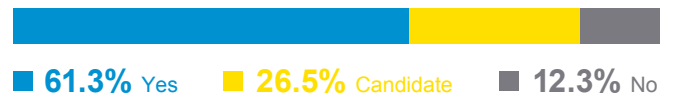
Education

Associate degree	0.2%
Bachelor degree	53.6%
Graduate degree	44.1%
Doctorate	2.0%

Feel valued by their company



Charterholder status

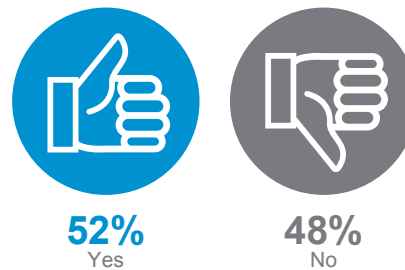


Median total compensation*

Bachelor degree	
Non-Charterholder	\$88,000
CFA Charterholder	\$155,000
Graduate degree	
Non-Charterholder	\$132,000
CFA Charterholder	\$233,000

Non-Charterholder
 CFA Charterholder







Feel fairly compensated








*Median total compensation figures listed do not control for other variables such as years of experience and job title.

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

Employer size

< 50		21.6%
50 to < 250		19.3%
250 to < 500		6.9%
500 to < 2,500		14.4%
2,500 to < 5,000		9.8%
> 5,000		28.0%

AUM of firm

< \$500 million		8.1%
\$500 million to < \$2 billion		7.5%
\$2 billion to < \$50 billion		27.0%
> \$50 billion		35.7%
Not Applicable		21.7%

Fifteen most common occupations

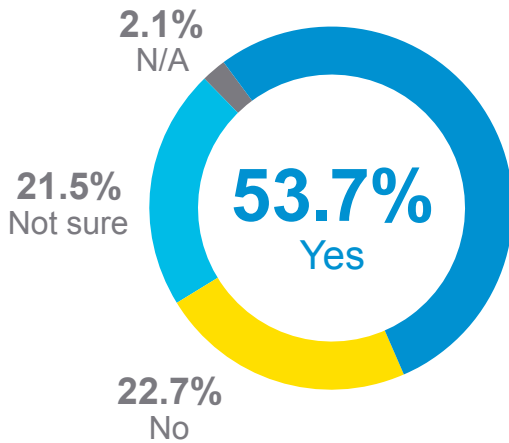
Consultant	8.2%
Other*	8.2%
Buy-side research analyst (equity)	7.3%
Financial analyst (corporate)	6.8%
Bank/trust/private client portfolio manager	5.2%
Buy-side research analyst (fixed income)	4.6%
Institutional sales representative/relationship manager	4.3%
Portfolio manager (equities)	4.3%
Portfolio manager (fixed income)	4.3%
Risk manager	3.7%
Financial advisor/broker	3.7%
Client services	3.3%
Performance analyst	3.0%
Chief investment officer	2.7%
Operations/reconciliation	2.4%

*Respondents reported a wide variety of other occupations such as data analyst, product management, and valuation-based roles.

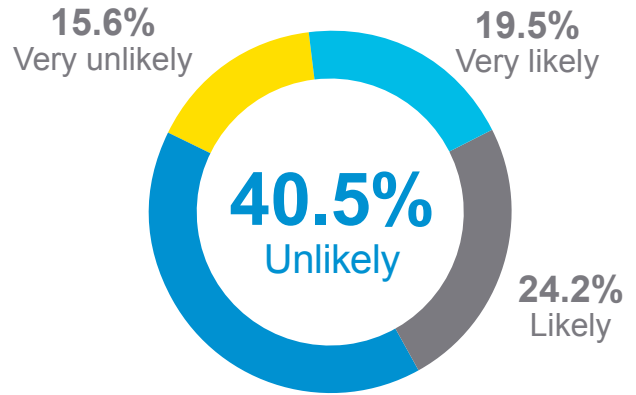
Organization type

Investment management firm	39.8%
Investment bank, commercial bank, brokerage firm, trust company	19.4%
Other	13.9%
Consulting, accounting, law firm	11.0%
Insurance company	4.0%
Family office	3.1%
Hedge fund or fund of hedge funds	2.6%
Government agency/department	1.8%
Endowment, foundation, other not-for-profit	1.5%
Rating agency	1.5%
Educational institution	0.9%
Corporate plan sponsor	0.3%

Opportunity for advancement within company



Likelihood of looking for a new role in 2018



Reason for looking for a new role	Very likely	Likely
Better work/life balance	1%	1%
Higher compensation	17%	22%
More challenging work/career advancement	21%	20%
Other	1%	4%
Poor culture/lack of respect	4%	7%
Recently completed degree/obtained certification	1%	1%

The most commonly cited reasons for looking for a new role were pursuing more challenging work/career advancement followed by higher compensation.

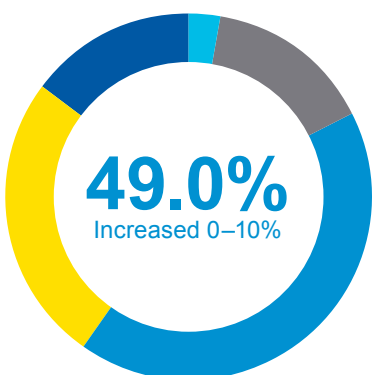
Types of compensation in addition to base salary

Cash/bonus performance	87%
Employer 401(k) contributions	66%
Profit sharing	17%
Restricted stock awards/phantom shares	13%
Deferred /multi-year earnings	9%
Commission/ a sales bonus	6%
Stock options	3%

Primary Determinant of Bonus

Discretionary	33.6%
Business unit/division performance	26.7%
Overall firm performance	20.5%
Other factors related to individual performance	11.7%
Individual investment performance	4.2%
Individual financial contribution	3.0%
Commissions generated	0.4%

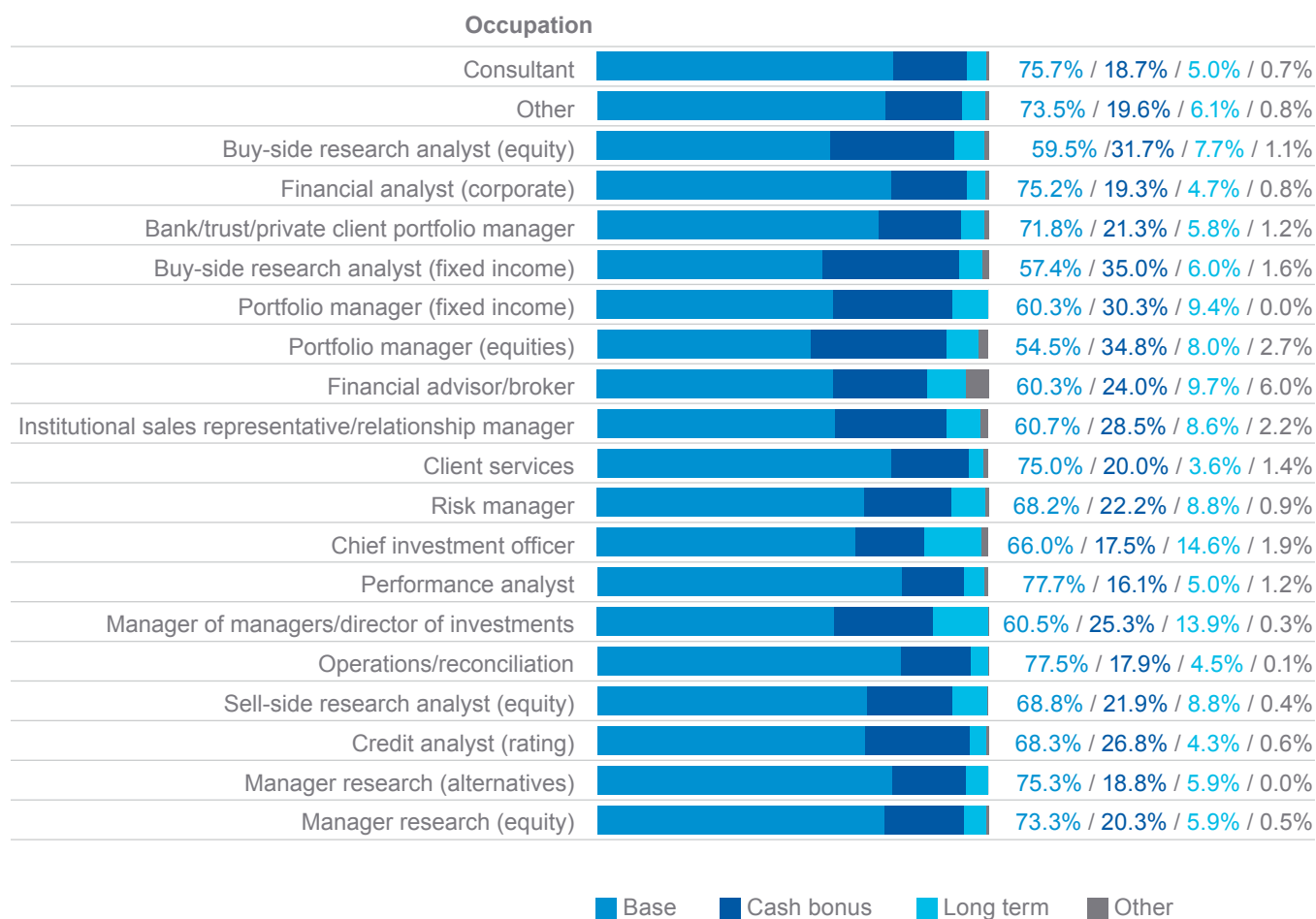
Expected change in total compensation



Decline	3.5%
Stay the same	12.3%
Increased 10–20%	23.4%
Increased > 20%	11.8%

Discretionary and business unit/
division performance were the top
two determinants of bonus.

How respondents wish their compensation was structured



Note: Figures represent average of response to ideal compensation.

Median and 75th Percentile Total Compensation by Occupation

Position	Total Comp	N	Base	Bonus	Other Comp
Consultant	124,500	54	100,000	15,000	5,785
75th percentile	190,000		150,000	31,250	12,500
Other	133,000	54	110,000	22,000	8,500
75th percentile	203,131		152,000	42,500	18,750
Buy-side research analyst (equity)	190,250	48	122,500	40,000	6,750
75th percentile	272,000		156,250	117,500	20,000
Financial analyst (corporate)	105,000	45	87,500	12,500	5,000
75th percentile	136,000		105,000	22,250	16,250
Bank/trust/private client portfolio manager	165,000	34	122,500	20,000	13,750
75th percentile	216,625		165,465	46,350	23,175
Buy-side research analyst (fixed income)	182,600	30	130,000	50,000	10,500
75th percentile	309,871		150,000	110,000	35,119
Portfolio manager (equities)	251,500	28	136,000	75,000	20,000
75th percentile	390,000		180,000	160,000	47,500
Portfolio manager (fixed income)	213,000	28	132,500	75,000	19,800
75th percentile	312,375		178,750	123,750	35,250
Institutional sales representative/relationship manager	209,000	28	120,000	70,000	30,000
75th percentile	378,500		155,000	152,500	74,403
Financial advisor/broker	128,375	24	110,000	21,000	8,000
75th percentile	238,500		162,500	65,000	29,700
Risk manager	172,500	24	126,060	36,000	7,000
75th percentile	245,000		160,750	80,500	14,792
Client services	104,538	22	85,000	19,000	5,263
75th percentile	143,388		114,000	35,000	21,500
Performance analyst	105,000	20	83,500	12,500	4,640
75th percentile	120,455		96,625	21,375	12,900
Chief investment officer	393,700	18	227,500	85,000	95,000
75th percentile	563,000		328,250	110,000	159,000
Operations/reconciliation	101,420	16	89,500	9,200	6,170
75th percentile	142,188		100,000	25,000	11,250
Manager of managers/director of investments	234,700	15	165,000	46,500	21,536
75th percentile	369,400		193,445	116,513	66,275

continued»

Median and 75th Percentile Total Compensation by Occupation

Position	Total Comp	N	Base	Bonus	Other Comp
Sell-side research analyst (equity)	133,000	13	96,250	23,500	7,000
75th percentile	147,000		111,250	30,000	8,250
Credit analyst (rating)	107,500	12	80,250	13,500	7,500
75th percentile	156,125		98,000	37,500	9,550
Manager research (alternatives)	122,000	11	100,000	20,000	4,000
75th percentile	134,000		112,500	23,500	14,045
Manager research (equity)	152,000	11	120,000	27,500	5,450
75th percentile	167,100		128,500	35,000	8,375

Note

For certain positions, the Total Comp figure can appear skewed when multiple respondents have no Base, no Bonus and/or no Other Comp to report. Only Reported for positions with more than 10 responses.

Base/Bonus/Other Comp/Total Comp figures were calculated independently from each other.

Suggestion: The best way to read this chart is to start with the Total Comp column ... and then use the Base, Bonus and Other Comp columns to understand generally how Total Comp is structured.

Reported median compensation for those with less than 5 years of experience for selected occupations

Position	Total Comp	N	Base	N	Bonus	N	Other Comp	N
Consultant	80,950	20	74,000	20	6,000	17	4,100	16
Financial analyst (corporate)	92,750	20	77,500	20	8,000	19	3,000	14
Other	75,000	19	60,000	19	5,024	12	3,642	10
Buy-side research analyst (equity)	93,500	18	79,000	18	20,000	15	4,750	12
Performance analyst	87,800	11	80,000	11	6,000	9	2,712	8
Buy-side research analyst (fixed income)	95,000	9	80,000	9	11,200	9	7,500	6
Operations/reconciliation	72,000	8	62,500	8	6,000	7	5,000	7
Client services	76,225	8	62,250	8	11,010	6	2,000	5
Financial advisor/broker	90,100	8	70,200	8	15,000	6	4,300	7
Sell-side research analyst (equity)	112,500	7	90,000	7	27,500	7	3,050	7
Credit analyst (rating)	82,200	7	68,000	7	6,000	7	6,500	6
Investment banker	148,600	6	105,000	6	42,500	6	n/a	3
Accountant/auditor	85,000	5	75,000	5	n/a	4	n/a	4
Risk manager	150,500	5	110,000	5	20,000	5	5,600	5
Private client professional (other)	70,000	5	60,000	5	n/a	4	n/a	3
Manager research (alternatives)	92,000	5	80,000	5	12,000	5	n/a	3
Bank/trust/private client portfolio manager	78,000	5	72,000	5	n/a	4	n/a	3
Buy-side research analyst (quantitative)	90,000	5	75,000	5	n/a	4	n/a	4

Note

Cells in yellow reflect fewer than 5 responses.

Base/Bonus/Other Comp/Total Comp figures are median and were calculated independently from each other.

Calculation of median statistics only includes those individuals who stated that they are eligible to receive a given form of compensation. Therefore, we would not expect these numbers to add up to the total compensation figure.

Suggestion: The best way to read this chart is to start with the Total Comp column ... and then use the Base, Bonus and Other Comp columns to understand generally how Total Comp is structured.

Median total compensation for those with less than 5 years of experience is \$87,900.

Reported median compensation for those with 5 to less than 10 years of experience for selected occupations

Position	Total Comp	N	Base	N	Bonus	N	Other Comp	N
Consultant	152,000	23	119,500	22	24,000	20	6,000	19
Financial analyst (corporate)	107,000	13	95,000	13	12,000	13	5,000	9
Other	130,000	11	110,000	11	27,500	10	6,000	7
Buy-side research analyst (equity)	196,250	10	122,500	10	35,000	9	23,000	7
Institutional sales representative/relationship manager	162,000	9	90,000	9	50,000	7	15,000	7
Bank/trust/private client portfolio manager	103,750	8	89,000	8	15,000	5	6,000	6
Risk manager	160,060	8	124,000	8	23,000	7	6,000	7
Portfolio manager (fixed income)	196,000	7	100,000	7	70,000	7	11,000	7
Buy-side research analyst (fixed income)	180,000	7	136,000	7	40,000	7	13,250	6
Client services	121,000	7	85,000	7	19,500	6	5,288	6
Financial advisor/broker	186,200	6	117,500	6	n/a	4	28,900	5
Sell-side research analyst (equity)	151,000	6	115,000	5	21,750	6	7,000	5
Manager research (alternatives)	130,000	5	110,000	5	20,000	5	n/a	3

Note

Cells in yellow reflect fewer than 5 responses.

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Median total compensation for those with 5 to less than 10 years of experience is \$137,675.

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

Position	Total Comp	N	Base	N	Bonus	N	Other Comp	N
Buy-side research analyst (equity)	264,300	18	155,000	18	115,000	17	6,500	13
Other	200,000	18	150,000	17	35,000	16	10,000	15
Portfolio manager (fixed income)	247,500	15	145,000	15	99,500	15	20,000	15
Manager of managers/director of investments	234,700	13	165,000	13	40,000	11	6,700	13
Bank/trust/private client portfolio manager	170,000	13	131,000	13	20,000	13	15,000	11
Portfolio manager (equities)	253,000	13	148,000	13	55,000	13	20,000	13
Financial analyst (corporate)	190,500	12	135,000	12	29,900	12	24,000	9
Buy-side research analyst (fixed income)	280,000	12	146,000	12	90,000	12	34,825	11
Institutional sales representative/relationship manager	373,000	11	150,000	10	132,500	8	70,500	8
Risk manager	214,166	9	139,000	9	61,000	9	9,500	8
Consultant	270,164	7	160,000	7	51,718	7	18,582	6
Client services	233,250	6	132,500	6	47,500	6	23,500	6
Operations/reconciliation	151,750	5	100,000	5	30,000	5	9,000	5
Financial advisor/broker	149,000	5	125,000	5	n/a	3	n/a	4
Performance analyst	126,800	5	95,000	5	21,500	5	n/a	4

Note

Cells in yellow reflect fewer than 5 responses.

Base/Bonus/Other Comp/Total Comp figures are median and were calculated independently from each other.

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Median total compensation for those with 10 to less than 20 years of experience is \$216,000.

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

Position	Total Comp	N	Base	N	Bonus	N	Other Comp	N
Chief investment officer	393,700	12	278,000	12	75,000	7	46,400	9
Portfolio manager (equities)*	260,000	9	175,000	8	103,000	8	36,000	7
Bank/trust/private client portfolio manager	271,000	8	187,500	8	45,000	8	19,250	8
Other	241,100	6	170,500	6	58,500	5	15,500	6
Financial advisor/broker	261,000	5	n/a	4	n/a	4	n/a	3

Note

*For certain positions, the Total Comp figure can appear skewed when multiple respondents have no Base, no Bonus and/or no Other Comp to report.

Cells in yellow reflect fewer than 5 responses.

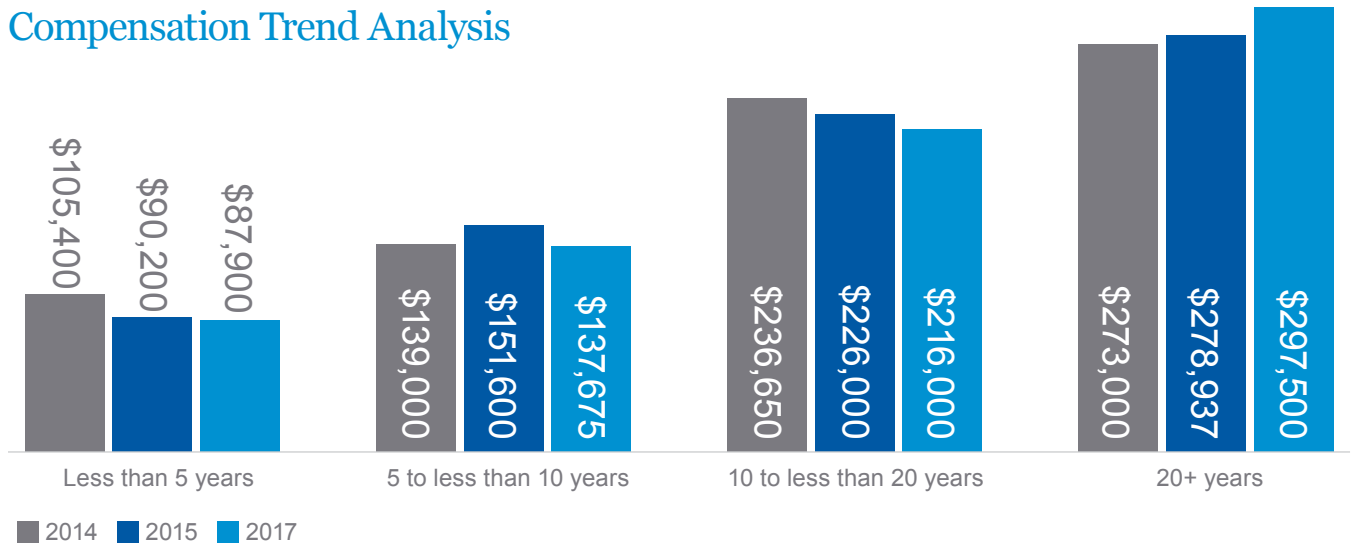
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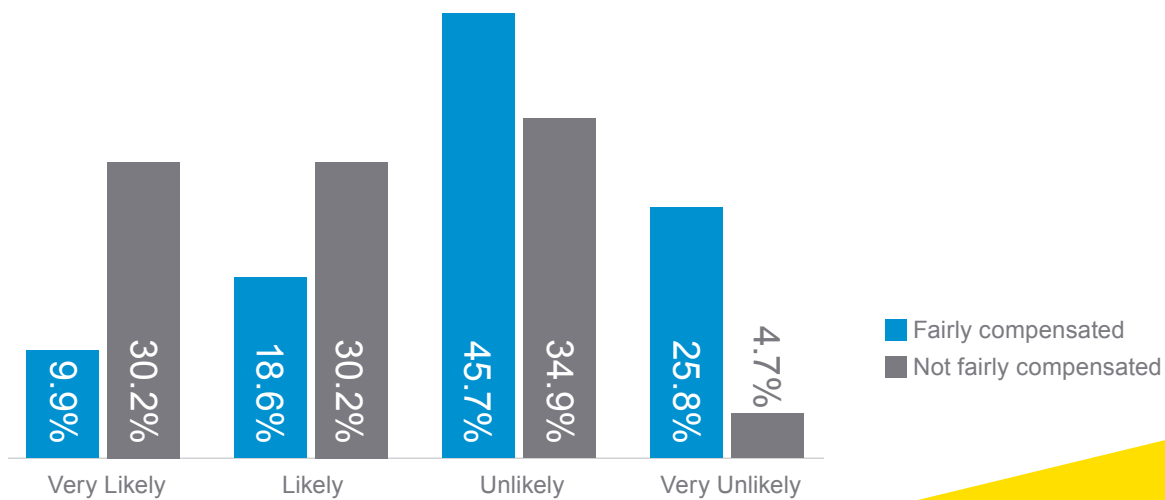
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Median total compensation for those with more than 20 years of experience is \$297,500.

Compensation Trend Analysis



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.

Survey methodology

Method

CFA Society Chicago shared an online survey with financial professionals in the region who are subscribers of CFA Society Chicago's online publication and its LinkedIn group. The survey was structured so all data gathered were anonymous with no identifiable information requested.

Respondents

Respondents were financial and investment professionals and totaled 725 unique and completed responses.

Timing

The survey was active from May 14 – June 22, 2018.

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 Society

CFA Society Chicago, the world's first investment analyst society, is committed to working with our members and the investment community to achieve our mission through five organizational pillars:

- Ethical Leadership—Championing ethical behavior in investment markets.
- Community—Fostering a culture of inclusion, diversity and respect.
- Industry Knowledge—Being a respected source of knowledge in investment markets.
- Professional Excellence—Raising standards of professional excellence in the industry.
- The Greater Good—Expanding our investment culture to serve the interests of investors and society.

It is our goal to lead the investment profession by promoting the highest standards of ethics, education, and professional excellence; to shape an investment industry that serves the greater good; and to serve as the premier local resource for Chartered Financial Analyst designees, candidates, other investment professionals and our communities.

If you are interested in learning more about earning your charter, or to learn more about CFA Society Chicago, contact info@cfachicago.org.

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