



CFA Society
Minnesota

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 composed of several overlapping, semi-transparent colored sections that correspond to the colors of the bars above.

2015 | FINANCIAL COMPENSATION SURVEY

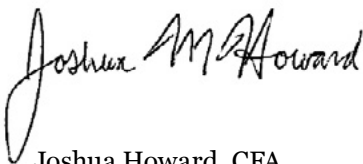


It has been said that three is a trend. If that is the case, then I am pleased to announce that the 2015 Financial Compensation Survey has made our annual research initiative an official trend. Now in its third year, the 2015 Financial Compensation Survey continues to provide unique insights for a wide-range of financial and investment professionals. With three years of survey results we now have a robust dataset, and can begin to turn this data into meaningful insight.

CFA Society Minnesota is committed to being a trusted resource for the finance industry, providing services, education and information that can assist both Charterholders and non-Charterholders alike. As part of this unwavering commitment, we are pleased to present the findings from this year's survey. I encourage you to review these findings on the following pages and make your own interpretations of the data. Be sure to examine all the information presented – such as ranges, sample sizes and other criteria – and do not rely on just one number (such as a median or maximum) when interpreting the results.

Whether you have completed the survey all three years, or if this is your first time participating, I personally want to thank you. Your willingness to take the time is what enables us to provide this indispensable resource for our entire industry. We truly appreciate your support of the Society.

Regards,



Joshua Howard, CFA

President, CFA Society Minnesota



Executive Summary

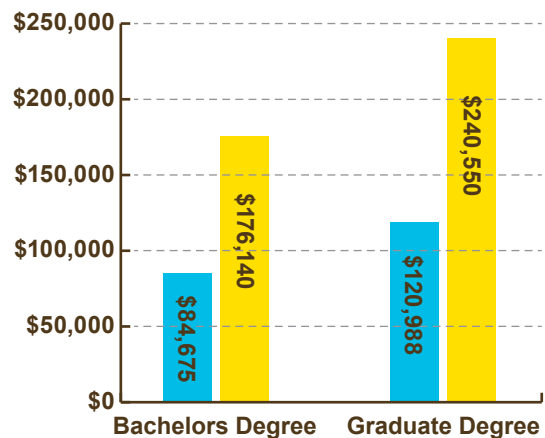
Now in its third year, the Financial Compensation Survey continues to evolve. New in 2015 is a more detailed breakdown of compensation, which better represents compensation structures common in our industry. This adjustment allows for a more granular level of data, while still providing year-on-year trends against the historic findings. Additionally, we are pleased to report that eight additional regional societies participated in compensation surveys this year. We look forward to sharing the aggregate findings in a future whitepaper.

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 following pages report the impact of certain variables as well as comparisons to previous years reported data for your interpretation. We refer you to the Survey Methodology section of this paper when evaluating the data.

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



● Non-Charterholder ● CFA Charterholder



Years of Experience

● <2 years	6%
● 2 to <5 years	18%
● 5 to <10 years	27%
● 10 to <20 years	31%
● 20 years or more	17%

Charterholder Status



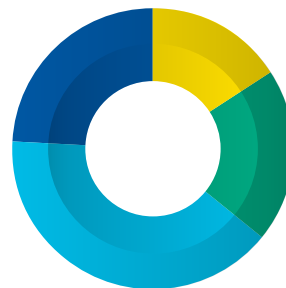
● Charterholder	63%
● Candidate	24%
● None	13%



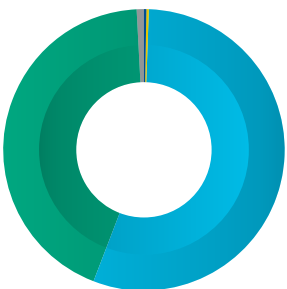
AUM of Firm

● <\$500 million	10%
● \$500 to <\$2 billion	14%
● \$2 to <\$10 billion	12%
● \$10 to <\$50 billion	15%
● \$50 to <\$100 billion	11%
● \$100 billion or more	25%
● Not applicable	14%

Likelihood of Looking for New Role in 2015



● Very Likely	16%
● Likely	20%
● Unlikely	40%
● Very Unlikely	24%



Education

● Some college but no degree	0.4%
● Associate degree	0.2%
● Bachelor degree	55.5%
● Graduate degree	43.2%
● Doctorate	0.7%

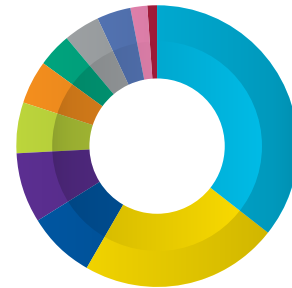


Fifteen Most Common Job Titles



● Buy-side Research Analyst (fixed income)	10%
● Portfolio Manager (equities)	8%
● Portfolio Manager (fixed income)	6%
● Consultant	5%
● Financial Advisor/Broker	5%
● Buy-side Research Analyst (equity)	5%
● Chief Investment Officer	5%
● Manager of Managers	5%
● Bank/Private Client Portfolio Manager	4%
● Accountant/Auditor	4%
● Buy-side Research Analyst (other)	4%
● Risk Manager	4%
● Private Client Professional (other)	3%
● Manager Research (alternatives)	3%
● Portfolio Manager (indexed/other)	3%

Organization Type



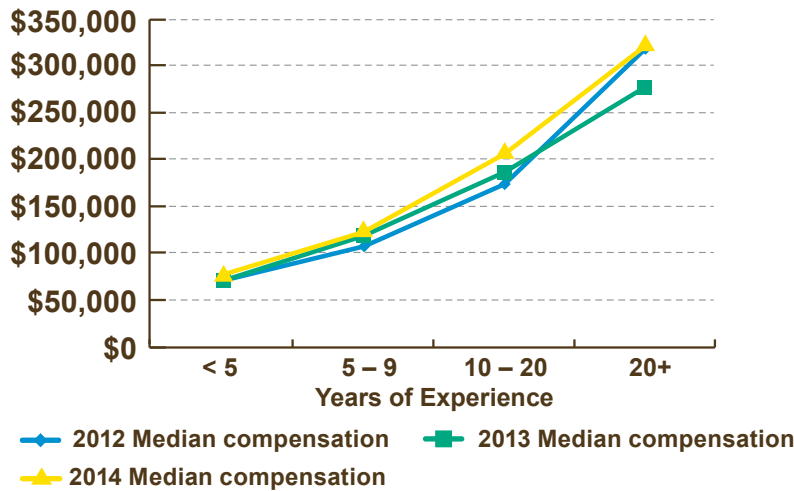
● Investment management firm	36%
● Investment bank, commercial bank, brokerage firm	23%
● Insurance company	8%
● Other	8%
● Consulting, accounting, law firm	6%
● Hedge fund or fund of hedge funds	5%
● Family office	4%
● Endowment, foundation, other not-for-profit	4%
● Government agency/department	4%
● Corporate plan sponsor	2%
● Educational institution	1%

Employer Size

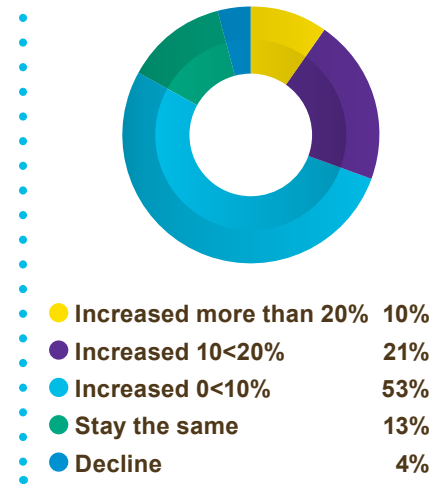


● <50	31%
● 50 to <250	19%
● 250 to <500	8%
● 500 to <2,500	8%
● 2,500 to <5,000	9%
● 5,000 or more	25%

Total Compensation Experience Trend Analysis

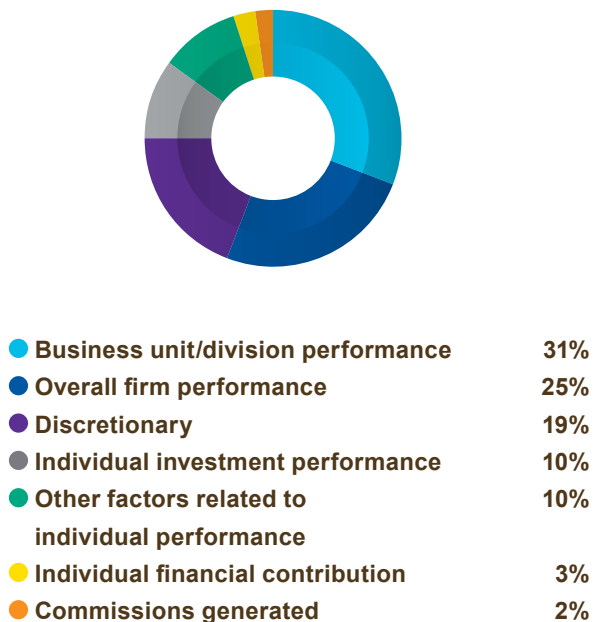


Change in Total Compensation

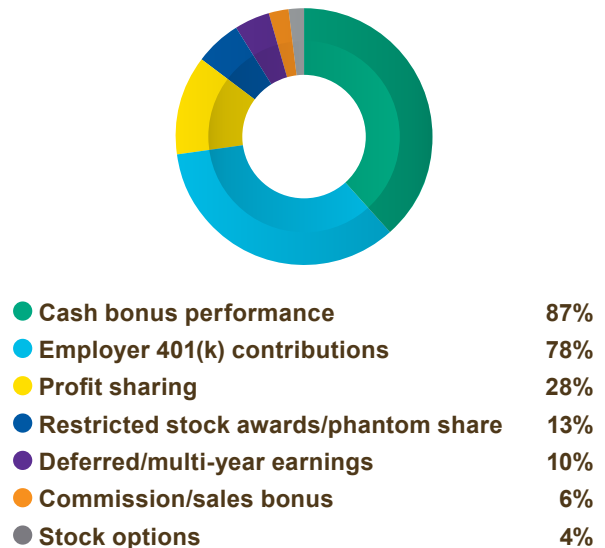


2014 total compensation is trending slightly higher than 2013 for most levels of experience.

Primary Determinant of Bonus



Other Forms of Compensation





Median Total Compensation by Occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Buy-side Research Analyst (fixed income)	111,350	46	83,000	46	10,800	46	207,836	46
75th Percentile	143,750		120,000		31,000		289,500	
Portfolio Manager (equities)	163,500	36	100,000	37	30,250	38	373,690	38
75th Percentile	196,250		200,000		56,625		455,750	
Portfolio Manager (fixed income)	135,000	25	109,819	24	17,250	25	271,500	25
75th Percentile	181,000		177,500		47,000		468,500	
Consultant	101,000	24	18,000	17	6,190	24	134,500	24
75th Percentile	124,000		28,000		12,589		150,000	
Financial Advisor/Broker	75,000	19	13,100	17	6,000	24	145,738	24
75th Percentile	95,000		65,000		103,813		238,500	
Manager of Managers	131,000	22	25,397	18	12,500	22	173,000	22
75th Percentile	152,500		57,500		29,550		243,000	
Buy-side Research Analyst (equity)	107,000	21	40,000	21	5,000	21	150,000	21
75th Percentile	130,000		55,000		9,450		210,000	
Chief Investment Officer	186,900	21	81,000	16	22,000	21	290,650	21
75th Percentile	300,000		137,750		87,400		502,000	
Bank/Private Client Portfolio Manager	93,000	18	21,000	18	8,200	19	125,000	19
75th Percentile	117,250		46,000		16,150		178,775	
Accountant/Auditor	73,575	17	8,000	15	2,000	17	83,575	17
75th Percentile	84,000		19,500		3,900		98,400	
Buy-side Research Analyst (other)	82,000	17	15,000	14	4,760	17	103,000	17
75th Percentile	90,000		26,350		8,300		120,400	
Risk Manager	101,500	16	22,000	16	7,125	16	145,500	16
75th Percentile	142,500		40,000		10,851		177,438	
Private Client Professional (other)	70,000	13	15,600	11	4,725	14	97,250	14
75th Percentile	90,000		50,000		9,250		121,470	
Manager Research (alternatives)	110,000	13	22,725	12	8,640	13	135,450	13
75th Percentile	134,000		52,750		14,000		201,000	

continued»



Median Total Compensation by Occupation

	Base	N	Bonus	N	Other Comp	N	Total Comp	N
Portfolio Manager (indexed/other)	78,232	12	20,000	11	7,500	12	102,094	12
75th Percentile	101,750		27,500		12,078		143,900	
Institutional Sales Representative/ Relationship Manager	127,000	10	220,000	10	41,450	11	325,000	11
75th Percentile	140,000		417,500		443,700		934,513	
Performance Analyst	70,000	11	9,175	10	5,000	11	85,710	11
75th Percentile	79,050		9,900		7,800		100,650	
Manager Research (equity)	81,500	10	11,500	8	5,400	10	93,875	10
75th Percentile	114,285		20,875		7,075		143,500	
Buy-side Research Analyst (quantitative)	99,850	8	35,000	8	6,750	8	159,850	8
75th Percentile	111,250		87,000		11,000		204,250	
Investment Banker	87,500	8	32,500	6	75	8	105,000	8
75th Percentile	106,250		56,250		2,250		134,875	
Manager Research (fixed income)	113,756	8	31,875	8	14,500	8	156,463	8
75th Percentile	129,250		55,100		29,750		204,350	
Sell-side Research Analyst (equity)	85,500	6	38,000	7	2,000	7	160,000	7
75th Percentile	110,000		65,000		7,000		182,000	
Strategist	122,000	7	45,500	6	10,000	7	183,000	7
75th Percentile	139,250		58,750		21,000		198,000	
Marketing Manager	88,100	6	20,550	6	9,355	6	115,543	6
75th Percentile	113,450		38,900		17,875		198,969	
Institutional Investor Services	49,000	5	n/a	n/a	650	5	56,200	5
75th Percentile	55,000		n/a		3,000		61,000	
Head of Fixed Income	207,000	5	95,000	5	31,000	5	315,500	5
75th Percentile	210,000		97,000		36,000		358,000	
Regulator	60,000	5	n/a	n/a	6,000	5	66,000	5
75th Percentile	80,000		n/a		10,000		90,000	



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
Buy-side Research Analyst (fixed-income)								
Portfolio Manager (equities)	183,000	13	166,190	14	31,500	15	396,000	15
Portfolio Manager (fixed-income)	222,500	8	180,000	8	68,000	8	522,583	8
Consultant								
Financial Advisor/Broker								
Manager of Managers								
Buy-side Research Analyst (equity)								
Chief Investment Officer	213,000	16	87,500	12	18,500	16	309,075	16
Bank/Private Client Portfolio Manager								
Accountant/Auditor								
Buy-side Research Analyst (other)								
Risk 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 \$323,250



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
Buy-side Research Analyst (fixed-income)	140,000	16	118,125	16	24,528	16	281,000	16
Portfolio Manager (equities)	163,500	18	100,000	18	29,000	18	301,500	18
Portfolio Manager (fixed-income)	125,000	8	44,000	7	16,125	8	191,500	8
Consultant	114,000	10	17,500	9	7,000	10	140,000	10
Financial Advisor/Broker	98,750	8	57,500	6	13,700	10	199,500	10
Manager of Managers	138,488	15	50,000	13	21,000	15	225,000	15
Buy-side Research Analyst (equity)	178,801	6	118,957	6	25,951	6	336,209	6
Chief Investment Officer								
Bank/private Client Portfolio Manager	115,000	7	20,000	7	9,500	7	161,200	7
Accountant/Auditor								
Buy-side Research Analyst (other)								
Risk Manager								

Median total compensation for those with 10<20 years of experience was \$208,500



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)	90,000	13	46,693	13	10,000	13	153,829	13
Portfolio Manager (equities)								
Portfolio Manager (fixed-income)	105,400	8	109,819	8	6,000	8	199,867	8
Consultant	100,000	7			13,400	7	135,000	7
Financial Advisor/Broker	77,500	8	12,500	8	5,000	9	95,000	9
Manager of Managers								
Buy-side Research Analyst (equity)	91,500	8	40,000	8	5,500	8	158,400	8
Chief Investment Officer								
Bank/Private Client Portfolio Manager								
Accountant/Auditor	77,000	5	9,000	5	2,000	5	83,575	5
Buy-side Research Analyst (other)	90,000	5			2,960	5	120,400	5
Risk Manager	96,500	8	28,000	8	6,000	8	141,703	8

Median total compensation for those with 5<10 years of experience
was \$126,480



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 (fixed-income)	80,000	13	35,000	13	6,000	13	126,600	13
Portfolio Manager (equities)								
Portfolio Manager (fixed-income)								
Consultant	72,000	5			1,000	5	90,380	5
Financial Advisor/Broker								
Manager of Managers								
Buy-side Research Analyst (equity)	72,000	7	12,500	7	2,100	7	92,600	7
Chief Investment Officer								
Bank/Private Client Portfolio Manager	76,000	5	20,000	5	0	5	90,000	5
Accountant/Auditor	54,270	8	7,500	6	1,100	8	60,670	8
Buy-side Research Analyst (other)	70,000	11	12,000	10	6,973	11	89,500	11
Risk Manager								

**Median total compensation for those with <5 years of experience
was \$84,675**



Compensation by Employer Size

Breakdown by Assets & Employee Size	Base	N	Bonus	N	Total Comp	N
Under \$500 million						
Under 50	80,000	37	18,000	31	106,500	41
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	104,500	44	35,000	38	159,875	46
50 to less than 250						
250 to less than 500						
500 to less than 2,500	157,500	6			304,950	6
2,500 to less than 5,000						
5,000 or more						
“\$2 billion to less than \$10 billion						
Under 50	130,000	24	100,000	23	250,000	24
50 to less than 250	172,000	17	63,000	15	268,000	17
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more						
\$10 billion to less than \$50 billion						
Under 50	150,000	12	134,198	10	265,250	12
50 to less than 250	99,350	28	38,866	28	172,875	28
250 to less than 500	118,000	13	50,000	13	186,200	13
500 to less than 2,500						
2,500 to less than 5,000						
5,000 or more	106,000	7	21,000	6	148,760	7



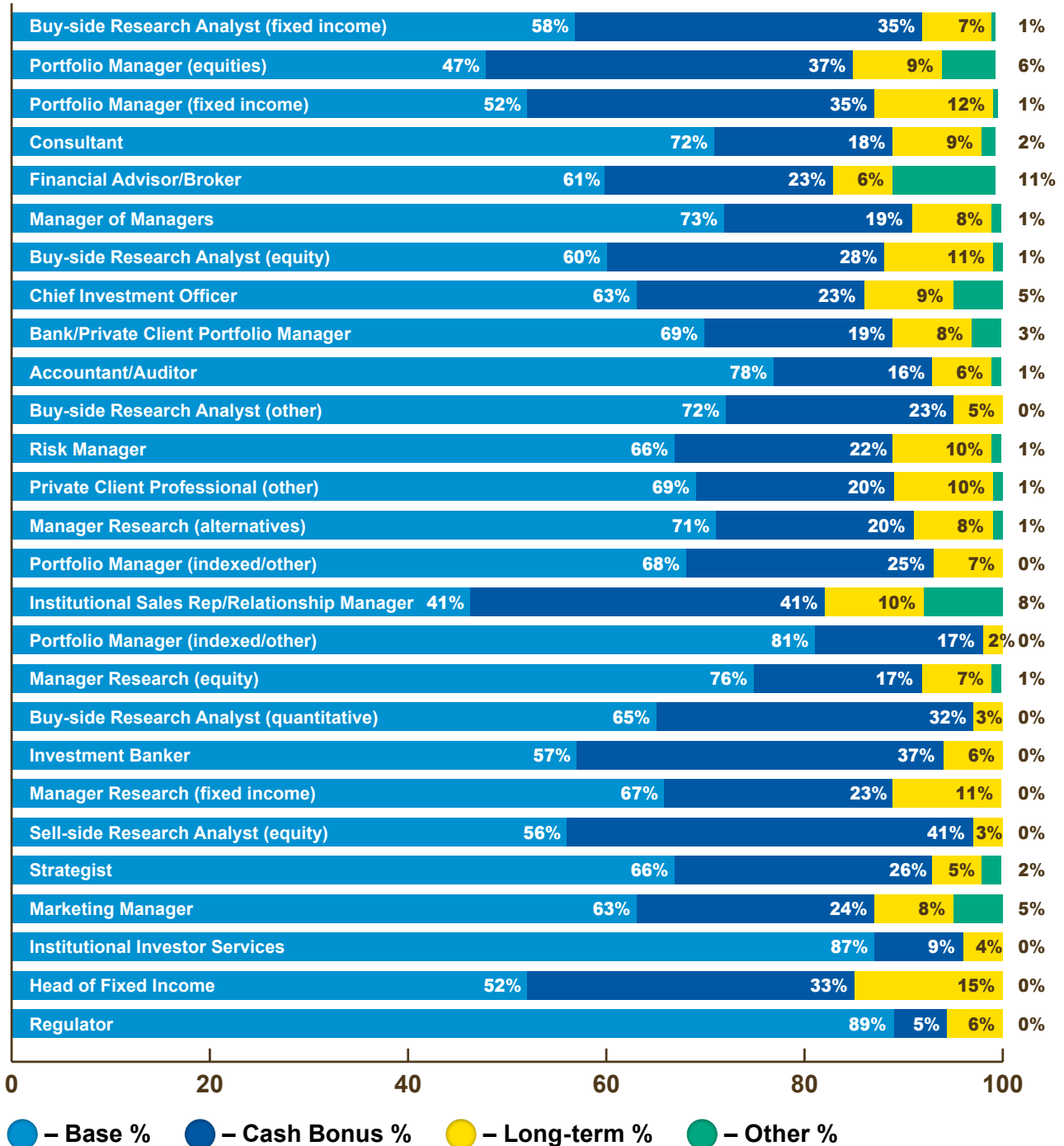
Compensation by Employer Size

Breakdown by Assets & Employee Size	Base	N	Bonus	N	Total Comp	N
\$50 billion to less than \$100 billion						
Under 50	110,000	5			114,000	5
50 to less than 250	142,000	13	50,000	13	200,000	13
250 to less than 500						
500 to less than 2,500						
2,500 to less than 5,000	147,500	14	108,250	14	272,320	14
5,000 or more	97,900	12	33,750	12	143,150	12
Over \$100 billion						
Under 50						
50 to less than 250	95,000	11	17,500	11	129,000	11
250 to less than 500	82,000	6	20,250	6	106,250	6
500 to less than 2,500	129,000	13	85,000	13	282,000	13
2,500 to less than 5,000	138,250	12	102,000	11	262,050	12
5,000 or more	103,000	68	31,500	66	148,200	70
Not Applicable						
Under 50	82,500	12	45,000	11	106,200	13
50 to less than 250	70,000	9	28,000	9	125,000	11
250 to less than 500	62,000	5			81,500	5
500 to less than 2,500	97,500	6	10,000	5	119,700	6
2,500 to less than 5,000	90,000	9	36,000	5	115,000	9
5,000 or more	80,000	19	12,500	15	113,250	20

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

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

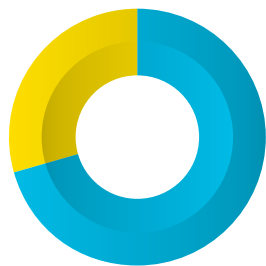
Average Ideal Compensation Structure for Selected Occupations





Total Compensation vs. Compensation Perception

	2014 Median Comp	% of Respondents who said they were undercompensated but actually were still above median
Less than 5 years	\$84,675	10.2%
5 to less than 10 years	\$126,480	9.8%
10 to less than 20 years	\$208,500	12.1%
20 years or more	\$323,250	7.7%



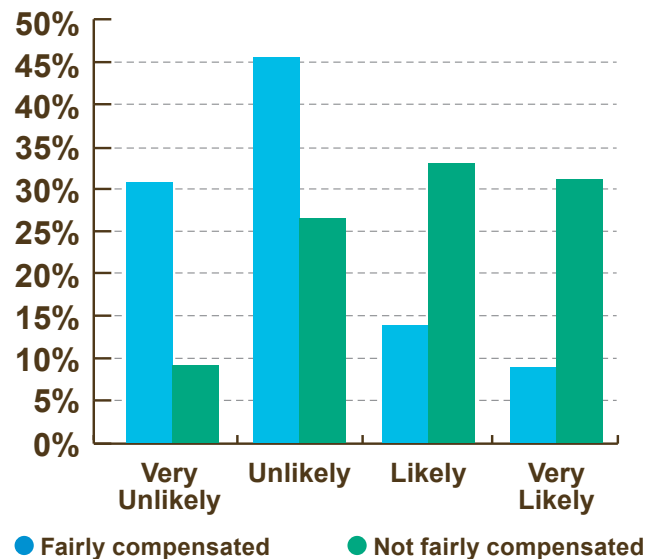
Fairly Compensated

● Yes 70.8%
● No 29.2%

Approximately 10% of respondents who feel they are under compensated are actually above median compensation.

Compensation Satisfaction vs. Likelihood of Looking for New Job

Individuals who don't feel they are fairly compensated are much more likely to be looking for a new job than their counterparts who believe they are fairly compensated.





Survey Methodology

Method

An online survey was deployed to known financial professionals in the region represented by CFA Society Minnesota. Email subscribers of CFA Society Minnesota 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 504 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 Minnesota

CFA Society Minnesota is the premier professional organization for investment professionals to connect with Chartered Financial Analysts in the Twin Cities area and throughout the Upper Midwest five-state region. With members in five states and a wide variety of industries, CFA Society Minnesota 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 Minnesota, contact support@cfamn.org.

Follow us at:



Generously supported by Hirenomics, LLC

Hirenomics is an Executive Recruiting firm specialized in the financial services industry. Our firm represents investment management, private equity, and insurance companies that range from firms with over a trillion in AUM to small boutique firms across the country. What separates our firm from others is our high touch, methodical process to recruiting, along with our unparalleled approach to unearthing passive candidates. As a leader in recruiting, we are proud to say we hold some of the top return-on-investment and long-term retention stats in the industry: a 99% closing ratio and a 94% retention ratio. If you are interested in learning more about Hirenomics, go to <http://hirenomics.com/>.