



**2016 FINANCIAL  
COMPENSATION SURVEY**  
FINDINGS AND RESULTS



Dear Colleagues,

I am pleased to present the findings from the *2016 Financial Compensation Survey*. This annual research initiative, now in its fourth year, continues to provide unique insights for a wide-range of financial and investment professionals. Our four years of survey results provide a robust dataset that we are able to turn 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 four years, or 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,

A handwritten signature in black ink that reads "Joshua M. Howard". The signature is fluid and cursive.

Joshua Howard, CFA  
President, CFA Society Minnesota

## Executive Summary

The 2016 Financial Compensation Survey is a compilation of the results of a survey on compensation practices in Minnesota, North Dakota and South Dakota conducted earlier this year; 400 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 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 in the upper Midwest 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	10.0%
2 – 5 years	14.0%
5 – 10 years	24.3%
10 – 20 years	33.0%
20 + years	18.8%

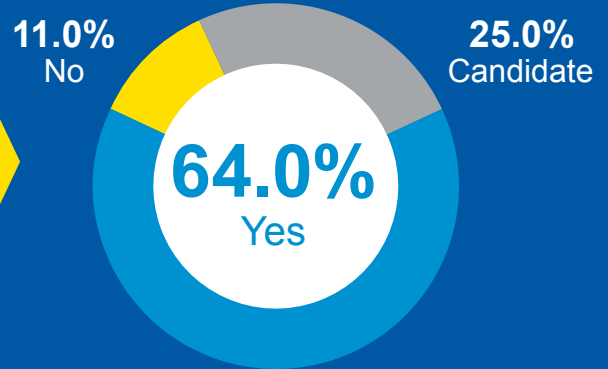
### Education

Some college but no degree	0.3%
Associate degree	0.3%
Bachelor degree	56.8%
Graduate degree	41.5%
Doctorate	1.3%

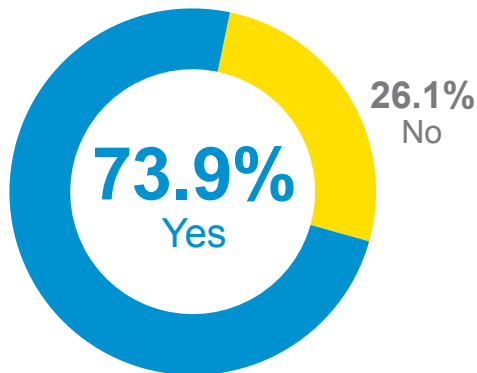
**97.3%**

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

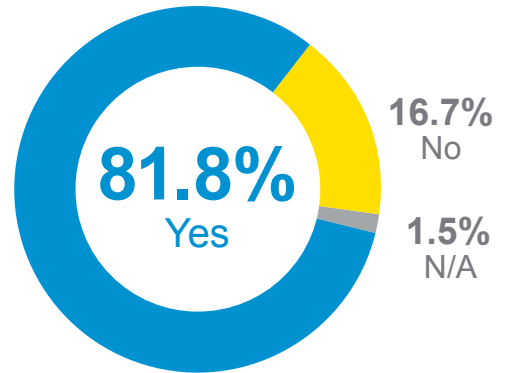
### Charterholder status



### Feel fairly compensated



### Feel valued by their company

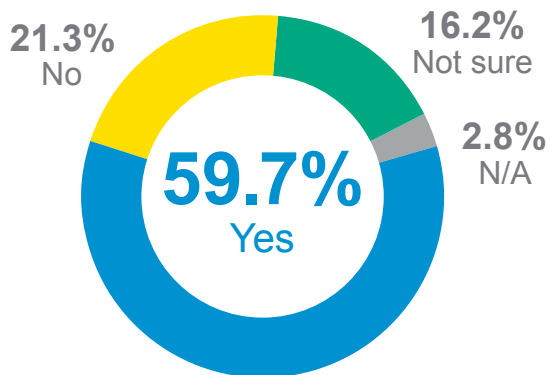




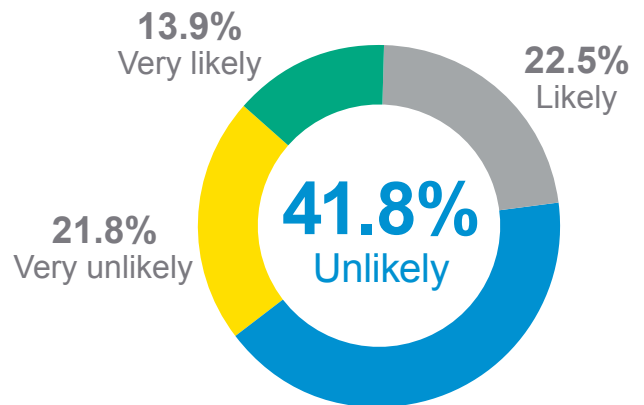
## Employer size

< 50		27.8%
50 to < 250		18.8%
250 to < 500		6.5%
500 to < 2,500		7.8%
2,500 to < 5,000		10.3%
≥ 5,000		29.0%

## Opportunity for advancement within company



## Likelihood of looking for a new role in 2016



## AUM of firm

< \$500 million		10.5%
\$500 million to < \$2 billion		9.8%
\$2 billion to < \$10 billion		12.3%
\$10 billion to < \$50 billion		16.0%
\$50 billion to < \$100 billion		12.3%
≥ \$100 billion		27.8%
Not applicable		11.5%








## Fifteen most common occupations

Buy-side Research Analyst (fixed income)	10.0%
Financial Advisor/Broker	7.5%
Financial Analyst (corporate)	7.0%
Portfolio Manager (fixed income)	5.5%
Portfolio Manager (equities)	5.0%
Buy-side Research Analyst (equity)	4.8%
Consultant	4.8%
Chief Investment Officer	4.5%
Manager of Managers	4.0%
Bank/Trust/Private Client Portfolio Manager	3.8%
Buy-side Research Analyst (other)	3.5%
Manager Research (alternatives)	3.0%
Operations/Reconciliation	3.0%
Performance Analyst	2.8%
Private Client Professional (other)	2.8%

## Organization type

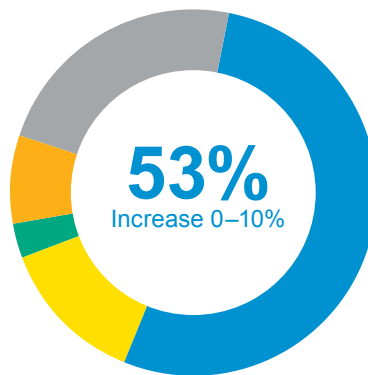
Investment Management Firm	38.0%
Investment Bank, Commercial Bank, Brokerage Firm	21.3%
Insurance Company	9.0%
Other	8.5%
Consulting, Accounting, Law Firm	7.5%
Family Office	3.8%
Endowment, Foundation, Other Not-for-Profit	3.0%
Government Agency/Department	3.0%
Corporate Plan Sponsor	2.8%
Hedge Fund or Fund of Hedge Funds	2.3%
Educational Institution	1.0%

## Types of compensation in addition to base salary

Cash/Bonus Performance		85.5%
Employer 401(k) Contributions		80.8%
Profit Sharing		26.7%
Restricted Stock Awards/Phantom Shares		16.1%
Deferred/Multi-year Earnings		12.3%
Commission/Sales Bonus		4.5%
Stock Options		3.3%









































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	13.0%
Increase 10–20%	23.0%
Increase > 20%	8.0%

## Average ideal compensation structure for selected occupations

Occupation	Base	Cash bonus	Long term	Other	
Buy-side Research Analyst (fixed income)					59.7% / 32.8% / 6.4% / 1.1%
Financial Analyst (corporate)					78.2% / 14.9% / 4.7% / 2.1%
Financial Advisor/Broker					64.8% / 16.7% / 9.6% / 8.9%
Portfolio Manager (fixed income)					56.9% / 31.5% / 11.0% / 0.7%
Portfolio Manager (equities)					45.8% / 40.8% / 10.8% / 2.8%
Consultant					70.3% / 22.1% / 7.1% / 0.5%
Buy-side Research Analyst (equity)					57.5% / 36.5% / 5.0% / 1.1%
Chief Investment Officer					67.5% / 21.9% / 9.2% / 1.4%
Manager of Managers					75.6% / 17.2% / 7.2% / 0.0%
Bank/Trust/Private Client Portfolio Manager					75.1% / 17.2% / 7.2% / 0.5%

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

	<b>Base</b>	<b>Bonus</b>	<b>Other Comp</b>	<b>Total Comp</b>	<b>N</b>
Buy-side Research Analyst (fixed income)	120,385	75,000	16,000	215,193	40
75th Percentile	145,000	110,000	30,045	271,325	
Financial Advisor/Broker	82,500	20,000	6,250	108,500	30
75th Percentile	103,188	52,500	26,000	187,913	
Financial Analyst (corporate)	69,000	13,750	4,094	80,930	28
75th Percentile	101,250	27,250	7,000	125,125	
Portfolio Manager (fixed income)	145,000	110,000	26,500	253,250	22
75th Percentile	184,750	198,500	53,375	430,075	
Portfolio Manager (equities)	180,500	100,000	25,000	344,500	20
75th Percentile	200,000	267,500	45,875	517,750	
Buy-side Research Analyst (equity)	100,000	72,500	4,000	138,000	19
75th Percentile	142,500	142,500	16,000	275,338	
Consultant	115,000	30,000	10,200	149,000	19
75th Percentile	147,000	48,500	16,250	182,250	
Chief Investment Officer	215,000	68,000	25,250	316,600	18
75th Percentile	291,500	111,000	70,050	414,925	
Manager of Managers	128,350	28,500	14,113	170,060	16
75th Percentile	161,150	40,572	27,125	230,750	
Bank/Trust/Private Client Portfolio Manager	115,000	22,000	10,000	135,000	15
75th Percentile	127,500	34,000	17,750	166,985	
Buy-side Research Analyst (other)	83,000	18,000	6,300	102,250	14
75th Percentile	110,000	50,000	7,239	185,000	
Manager Research (alternatives)	107,500	28,000	7,250	138,500	12
75th Percentile	140,000	35,000	11,825	188,125	

continued»



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

	<b>Base</b>	<b>Bonus</b>	<b>Other Comp</b>	<b>Total Comp</b>	<b>N</b>
Operations/Reconciliation	59,300	6,500	2,730	66,700	12
75th Percentile	73,875	10,750	3,850	84,000	
Performance Analyst	72,000	11,000	2,800	79,860	11
75th Percentile	85,000	19,000	7,000	122,150	
Private Client Professional (other)	80,000	12,000	4,140	101,000	11
75th Percentile	92,500	16,500	7,500	129,000	
Risk Manager	112,500	22,500	7,250	145,800	10
75th Percentile	136,250	33,000	9,975	175,625	

Note: Only Reported for positions with 10 or more responses

## Reported median compensation for those with less than 5 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>
Financial Analyst (corporate)	58,500	17	5,000	9	2,500	17	62,500	17
Buy-side Research Analyst (other)	61,250	8	11,000	8	6,926	8	84,009	8
Consultant	66,750	6		3	3,500	6	80,000	6
Financial Advisor/Broker	55,000	6		3	7,750	6	72,300	6
Operations/Reconciliation	45,500	6		4	2,570	6	48,880	6
Buy-side Research Analyst (fixed income)	70,000	5	15,000	5	4,200	5	98,250	5
Performance Analyst	65,000	5		3	2,800	5	73,250	5

Median total compensation for those with less than 5 years of experience is \$73,175

Note: Cells in gray reflect fewer than five responses.

## Reported median compensation for those with 5 to less than 10 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>
Buy-side Research Analyst (fixed income)	96,000	16	46,000	15	10,000	16	171,250	16
Financial Advisor/Broker	85,000	8		3	2,274	8	90,000	8
Buy-side Research Analyst (equity)	90,000	6	42,500	6	2,000	6	127,500	6
Financial Analyst (corporate)	84,500	6		4	4,044	6	89,680	6
Buy-side Research Analyst (other)	86,000	5		4	6,000	5	110,000	5
Performance Analyst	72,000	5	9,000	5	2,600	5	83,520	5
Portfolio Manager (indexed/other)	99,500	5	22,000	5	11,000	5	128,400	5
Private Client Professional (other)	80,000	5	14,000	5	7,000	5	101,000	5

Median total compensation for those with 5 to less than 10 years of experience is \$124,000

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

	<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>
Buy-side Research Analyst (fixed-income)	145,000	15	100,000	15	18,385	15	267,100	15
Financial Advisor/Broker	94,000	7	20,500	8	28,000	11	134,000	11
Bank/Trust/Private Client Portfolio Manager	115,000	9	27,450	8	12,690	9	157,600	9
Portfolio Manager (equities)	180,000	9	100,000	9	35,000	9	280,000	9
Portfolio Manager (fixed-income)	140,000	9	78,164	8	10,000	9	215,000	9
Buy-side Research Analyst (equity)	165,000	8	125,000	8	33,500	8	330,000	8
Manager of Managers	135,750	8	25,000	8	22,250	8	182,422	8
Manager Research (alternatives)	137,500	7	32,500	6	8,000	7	174,500	7
Chief Investment Officer	156,000	6		4	15,500	6	203,383	6
Financial Analyst (corporate)	120,000	5	30,000	5	8,800	5	167,000	5
Risk Manager	110,000	5	20,000	5	7,000	5	147,700	5

Median total compensation for those with 10 to less than 20 years of experience is \$204,250

Note: Cells in gray reflect fewer than five responses.

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

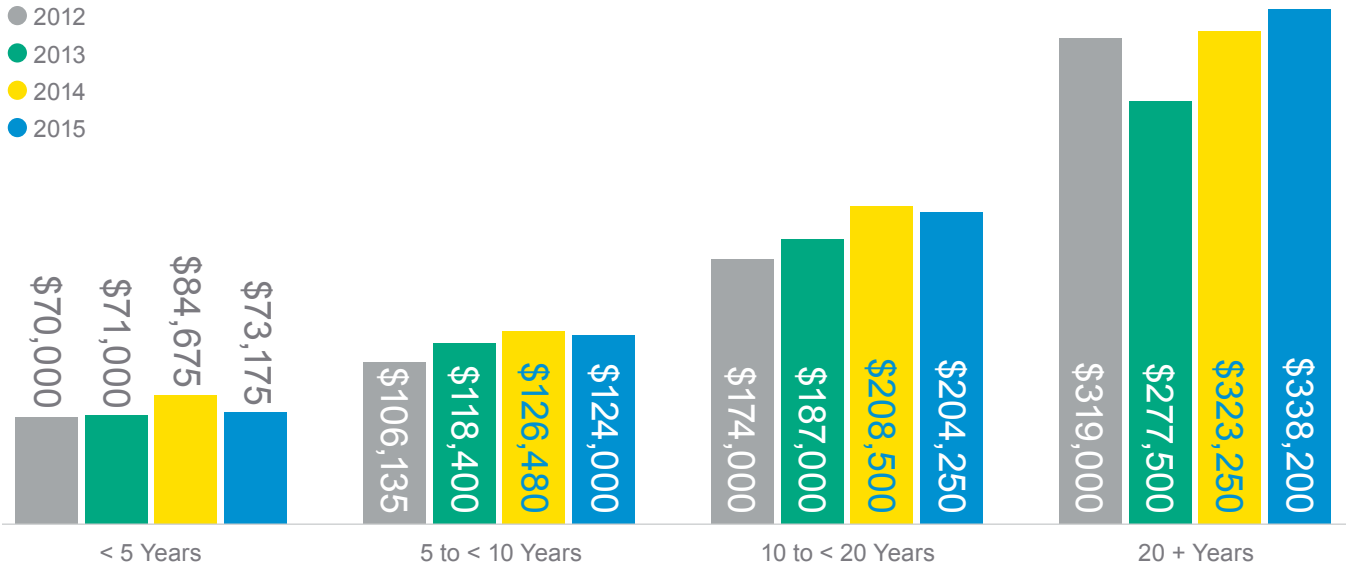
	<b>Base</b>	<b>N</b>	<b>Bonus</b>	<b>N</b>	<b>Other Comp</b>	<b>N</b>	<b>Total Comp</b>	<b>N</b>
Chief Investment Officer	265,000	12	90,000	10	32,500	12	386,625	12
Portfolio Manager (fixed-income)	184,500	10	199,000	10	51,250	10	416,650	10
Portfolio Manager (equities)	200,000	8	206,450	8	19,000	8	484,000	8
Consultant	149,000	5	57,000	5	10,200	5	167,000	5
Financial Advisor/Broker		3	180,000	5	20,000	5	430,000	5
Manager of Managers	124,700	5		3	8,823	5	167,619	5

Median total compensation for those with more than 20 years of experience is \$338,200

Note: Cells in gray reflect fewer than five responses.

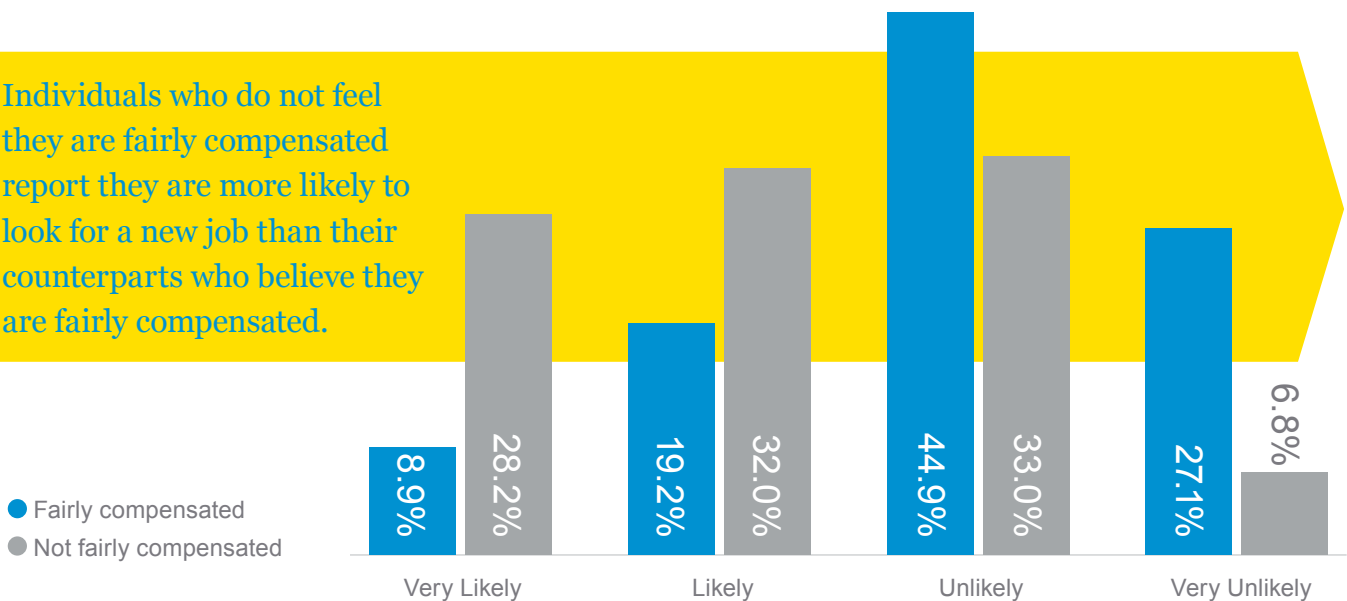


### 2014 vs 2015 compensation trend analysis



### 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 Minnesota shared an online survey with financial professionals in the region who are subscribers of CFA Society Minnesota's online publications and 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 400 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 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](mailto:support@cfamn.org).

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