



CFA Society
New York

NOVEMBER 2018



**2018 FINANCIAL
COMPENSATION SURVEY**
FINDINGS AND RESULTS

Dear Colleagues,

Since 1937, CFA Society New York (CFANY) has sought to raise the standards of the investment industry through global insight, a dynamic community of local investment management professionals, and thought leadership. Our mission is to raise the bar in investment management, wherever possible, and help establish the course for where the investment industry is headed.

We believe that ardent dedication to operate as a reliable and trustworthy source of information is part and parcel of that foundational duty. Our Society strives to serve members by providing them the insight and resources to aid in their career development and advancement.

To that end, CFANY is thrilled to announce the highly anticipated findings of the *2018 Financial Compensation Survey*. The survey, which had been void in the market since 2007, provides a unique, 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,

Daniel Dagen, CFA
Chief Executive Officer, CFA Society New York

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 2018 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 the New York area conducted earlier this year; 765 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 expected annual salary change data, plus 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 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.

85.7%

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

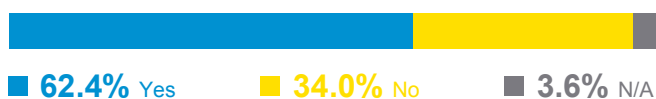
Years of experience

< 2 years	10.4%
2 – 5 years	23.5%
5 – 10 years	23.5%
10 – 20 years	28.0%
20 + years	14.5%

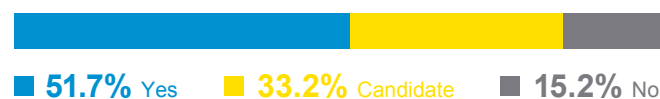
Education

Associate degree	0.3%
Bachelor degree	57.5%
Graduate degree	39.8%
Doctorate	2.5%

Feel valued by their company



Charterholder status

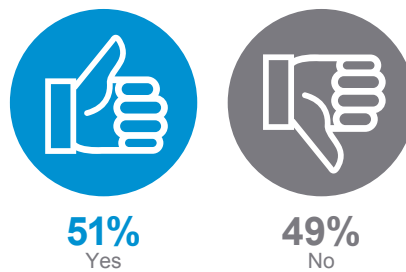


Median total compensation*

Bachelor degree	
Non-Charterholder	\$118,975
CFA Charterholder	\$185,000
Graduate degree	
Non-Charterholder	\$148,000
CFA Charterholder	\$262,796

■ 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		15.2%
50 to < 250		14.4%
250 to < 500		5.3%
500 to < 2,500		13.2%
2,500 to < 5,000		7.0%
> 5,000		44.9%

AUM of firm

< \$500 million		6.9%
\$500 million to < \$2 billion		6.5%
\$2 billion to < \$50 billion		17.3%
> \$50 billion		43.7%
Not Applicable		25.6%

Fifteen most common occupations

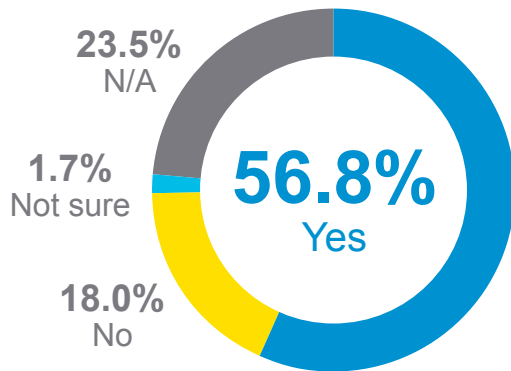
Other*	10.2%
Risk manager	5.5%
Consultant	5.2%
Financial analyst (corporate)	5.1%
Buy-side research analyst (equity)	4.7%
Institutional sales representative/relationship manager	4.4%
Portfolio manager (fixed income)	4.1%
Investment banker	3.8%
Credit analyst (rating)	3.4%
Financial advisor/broker	3.4%
Accountant/auditor	3.1%
Client services	3.0%
Sell-side research analyst (equity)	3.0%
Operations/reconciliation	2.6%
Sell-side trader/sales (fixed income)	2.6%

*Respondents reported a wide variety of other occupations such as valuation, product management, and business development roles.

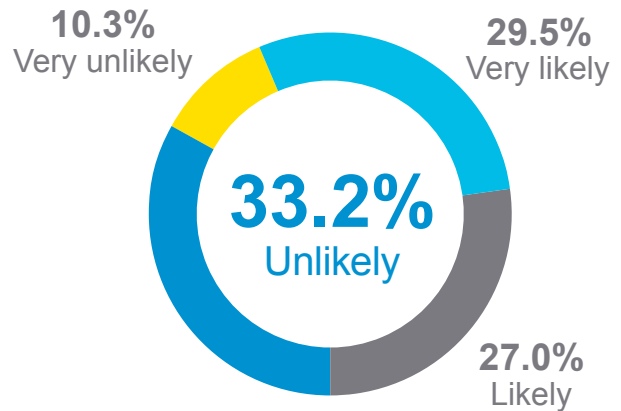
Organization type

Investment management firm	30.5%
Investment bank, commercial bank, brokerage firm, trust company	30.0%
Other	9.4%
Consulting, accounting, law firm	7.0%
Insurance company	6.6%
Hedge fund or fund of hedge funds	6.5%
Family office	3.0%
Rating agency	3.0%
Government agency/department	2.0%
Corporate plan sponsor	0.9%
Endowment, foundation, other not-for-profit	0.7%
Educational institution	0.4%

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	2%	3%
Higher compensation	18%	18%
More challenging work/career advancement	23%	21%
Other	1%	1%
Poor culture/lack of respect	8%	4%
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.

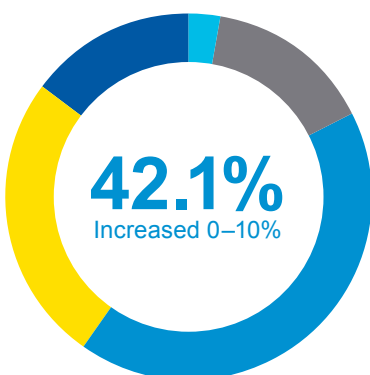
Types of compensation in addition to base salary





Cash/bonus performance		87%
Employer 401(k) contributions		62%
Restricted stock awards/phantom shares		14%
Profit sharing		12%
Deferred /multi-year earnings		11%
Commission/ a sales bonus		4%
Stock options		3%

Primary Determinant of Bonus

Discretionary		30.5%
Business unit/division performance		29.2%
Overall firm performance		19.9%
Other factors related to individual performance		13.6%
Individual financial contribution		3.0%
Individual investment performance		2.7%
Commissions generated		1.1%

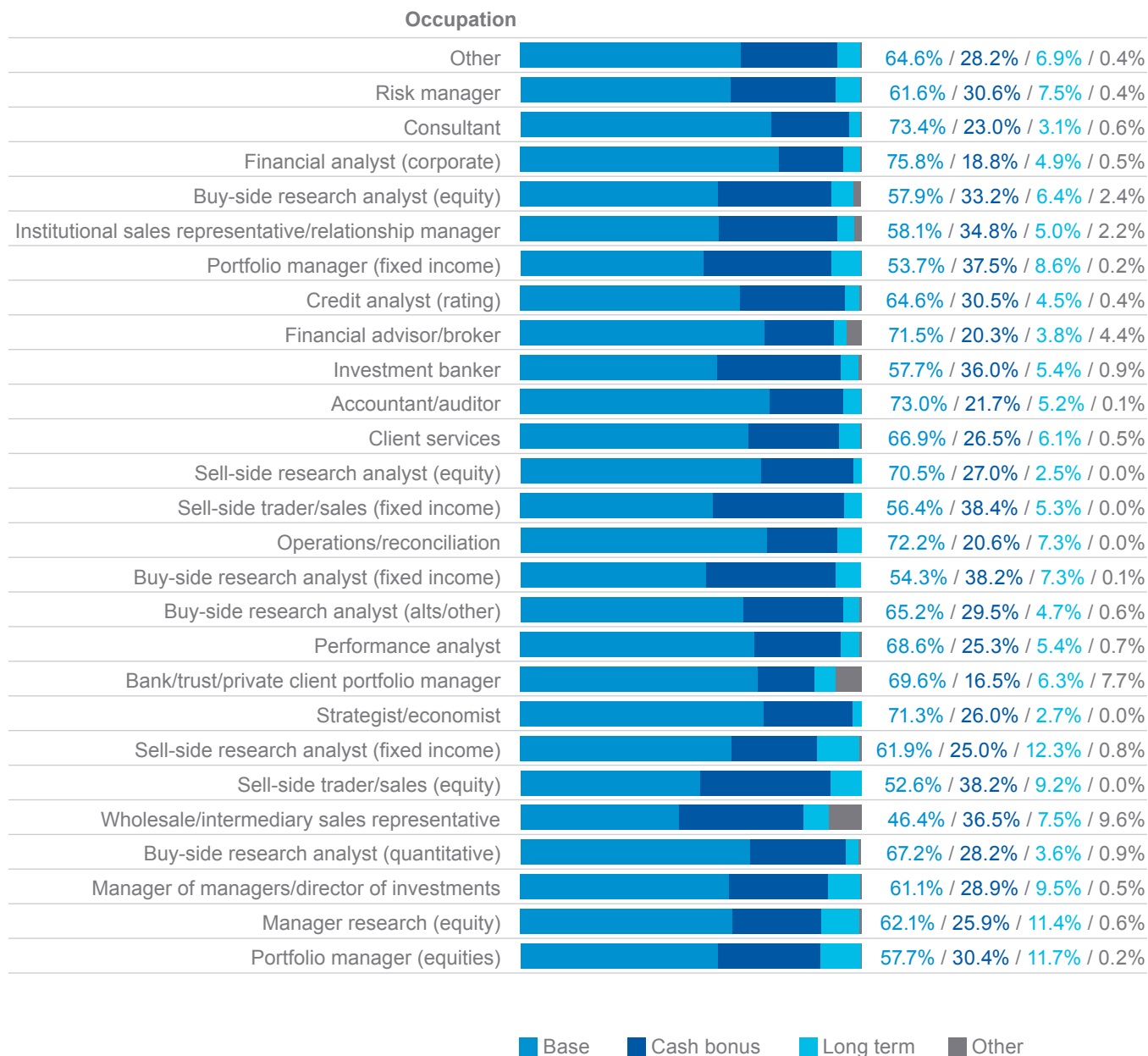
Expected change in total compensation



	Decline	2.9%
	Stay the same	14.9%
	Increased 10–20%	25.5%
	Increased > 20%	14.7%

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
Other	184,600	78	138,750	40,000	9,755
75th percentile	275,000		165,000	97,500	32,550
Risk manager	185,000	42	145,000	43,000	9,417
75th percentile	306,000		198,750	65,000	12,000
Consultant	122,152	40	110,000	12,250	5,300
75th percentile	152,125		131,750	28,750	7,500
Financial analyst (corporate)	107,500	39	85,000	15,000	5,000
75th percentile	153,500		106,500	31,125	8,500
Buy-side research analyst (equity)	200,000	36	115,000	50,000	10,000
75th percentile	274,500		182,750	95,000	34,500
Institutional sales representative/relationship manager*	219,000	34	130,000	78,000	18,500
75th percentile	357,500		200,000	140,000	72,875
Portfolio manager (fixed income)	328,000	31	175,000	150,000	36,000
75th percentile	547,500		222,500	262,500	115,000
Investment banker	213,000	29	125,000	75,000	16,000
75th percentile	350,000		176,250	150,000	34,275
Credit analyst (rating)	167,000	26	122,500	32,500	8,000
75th percentile	203,120		155,250	54,250	12,000
Financial advisor/broker	128,575	26	88,000	22,500	8,000
75th percentile	226,625		136,250	33,750	30,000
Accountant/auditor	121,500	24	100,000	13,000	5,000
75th percentile	152,055		126,250	35,000	8,550
Client services	108,200	23	85,000	21,000	6,000
75th percentile	224,945		148,000	40,875	13,500
Sell-side research analyst (equity)	146,000	23	115,000	30,000	4,750
75th percentile	187,500		142,500	54,000	10,875
Operations/reconciliation	101,000	20	88,000	10,000	8,000
75th percentile	163,475		139,000	26,250	10,000
Sell-side trader/sales (fixed income)	188,500	20	122,500	40,000	10,000
75th percentile	309,750		186,000	112,500	46,250

*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.

continued»

Median and 75th percentile total compensation by occupation

Position	Total Comp	N	Base	Bonus	Other Comp
Buy-side research analyst (alts/other)	167,000	19	120,000	30,000	8,017
75th percentile	255,000		150,000	90,000	9,750
Buy-side research analyst (fixed income)	180,250	19	135,000	75,000	25,000
75th percentile	434,500		200,000	167,500	53,000
Performance analyst	148,500	16	120,000	32,500	18,000
75th percentile	294,250		150,000	75,375	64,500
Bank/trust/private client portfolio manager	190,000	14	155,000	37,500	6,400
75th percentile	300,400		191,250	98,750	13,375
Strategist/economist	185,500	14	150,000	35,000	9,000
75th percentile	279,375		183,750	100,000	17,000
Manager of managers/director of investments*	200,000	13	180,000	54,500	18,750
75th percentile	335,000		210,000	111,250	156,250
Sell-side trader/sales (equity)	262,400	13	170,000	107,500	37,050
75th percentile	475,000		200,000	218,750	95,750
Portfolio manager (equities)	297,500	12	167,500	57,000	120,000
75th percentile	603,375		262,500	175,000	211,750
Sell-side research analyst (fixed income)	133,142	12	105,000	35,000	6,142
75th percentile	242,750		163,750	62,500	9,500
Wholesale/intermediary sales representative	154,500	12	100,000	25,000	65,000
75th percentile	308,625		152,500	75,000	159,750
Buy-side research analyst (quantitative)	161,200	11	130,000	30,000	8,125
75th percentile	248,125		162,500	80,000	11,550
Manager research (equity)	138,000	11	109,000	65,000	15,000
75th percentile	518,000		175,000	195,000	104,000

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
Other	117,000	31	91,000	31	14,500	24	5,500	20
Financial analyst (corporate)	94,250	24	81,250	24	7,000	21	5,000	17
Consultant	92,050	16	83,000	16	5,000	9	3,000	9
Sell-side research analyst (equity)	145,000	15	115,000	15	20,000	15	3,975	6
Client services	88,000	14	75,000	14	9,900	10	4,500	11
Investment banker*	171,700	14	120,000	14	75,000	13	9,200	10
Buy-side research analyst (equity)	98,000	13	65,000	13	27,500	12	2,160	9
Sell-side trader/sales (fixed income)	135,800	12	110,000	12	26,900	12	6,725	8
Buy-side research analyst (alts/other)	126,250	10	95,750	10	27,500	8	n/a	3
Financial advisor/broker	92,200	9	71,000	9	10,000	8	5,585	6
Risk manager	101,000	9	87,000	9	20,000	9	4,500	6
Credit analyst (rating)	96,500	8	80,900	8	10,850	6	5,000	5
Operations/reconciliation	84,750	8	79,000	8	4,600	6	5,000	5
Sell-side research analyst (fixed income)	102,750	8	82,500	8	27,500	6	6,000	7
Accountant/auditor	72,000	7	69,000	7	5,000	7	n/a	4
Buy-side research analyst (fixed income)	130,850	6	96,000	6	27,500	6	n/a	2
Buy-side research analyst (quantitative)	153,825	6	120,000	6	29,500	6	n/a	2
Institutional sales representative/relationship manager	104,500	6	80,000	6	14,000	6	6,000	5
Performance analyst	113,300	6	80,000	6	30,000	5	n/a	3

Note

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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.

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Median total compensation for those with less than 5 years of experience is \$109,500.

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	131,000	16	120,000	15	12,000	13	5,750	12
Other	208,000	15	140,000	15	50,000	15	8,200	14
Credit analyst (rating)	169,250	12	125,000	12	32,500	12	7,678	12
Accountant/auditor	121,500	10	97,500	10	13,500	10	5,750	10
Risk manager	156,544	10	124,800	10	31,000	10	6,000	9
Buy-side research analyst (equity)	210,500	8	127,500	8	50,000	7	12,000	7
Investment banker	339,500	8	175,000	8	109,000	8	19,805	6
Strategist/economist	182,000	7	110,000	7	25,000	6	9,000	6
Financial advisor/broker	125,075	6	84,000	6	n/a	3	8,000	5
Institutional sales representative/relationship manager	172,250	6	96,500	6	52,500	6	8,250	6
Portfolio manager (fixed income)	263,750	6	146,500	6	90,000	6	16,640	5
Bank/trust/private client portfolio manager	155,000	5	105,000	5	n/a	4	n/a	3
Buy-side research analyst (fixed income)	180,250	5	130,000	5	75,000	5	n/a	3
Financial analyst (corporate)	108,000	5	105,000	5	15,000	5	n/a	3
Wholesale/intermediary sales representative	280,000	5	130,000	5	n/a	3	n/a	4

Note

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Median total compensation for those with 5 to less than 10 years of experience is \$165,000.

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
Other	230,255	20	162,500	20	50,000	19	21,500	17
Institutional sales representative/relationship manager	250,000	17	150,000	16	100,000	14	24,750	14
Buy-side research analyst (equity)	285,000	15	185,000	15	82,500	14	52,000	7
Portfolio manager (fixed income)	372,250	15	180,000	15	168,125	14	38,000	14
Risk manager	234,000	15	170,000	15	60,000	15	10,000	12
Financial analyst (corporate)	214,350	8	148,500	8	32,250	8	8,000	5
Consultant	155,500	7	115,400	7	15,000	7	7,500	7
Financial advisor/broker	322,000	7	105,000	5	n/a	3	136,000	7
Operations/reconciliation	200,000	7	177,500	6	15,000	7	10,000	5
Accountant/auditor	198,610	6	133,000	6	100,000	5	n/a	1
Buy-side research analyst (fixed income)	513,000	5	200,000	5	250,000	5	50,000	5
Client services	222,000	5	155,000	5	n/a	4	n/a	4
Investment banker	279,100	5	190,000	5	65,000	5	n/a	4
Sell-side research analyst (equity)	254,500	5	125,000	5	n/a	4	n/a	3
Sell-side trader/sales (equity)	262,400	5	175,000	5	90,000	5	11,500	5

Note

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Median total compensation for those with 10 to less than 20 years of experience is \$256,250.

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
Other	278,500	12	168,500	12	89,500	12	25,500	9
Manager of managers/director of investments*	325,000	8	200,000	7	110,000	7	112,500	6
Portfolio manager (fixed income)*	334,500	8	192,000	8	189,000	6	80,000	5
Risk manager*	343,500	8	276,000	8	100,000	7	28,500	6
Chief investment officer*	561,000	7	350,000	7	327,500	6	428,000	6
Bank/trust/private client portfolio manager	331,500	6	200,000	5	95,000	5	n/a	3
Performance analyst	295,000	5	150,000	5	80,000	5	64,000	5
Portfolio manager (equities)	600,000	5	300,000	5	n/a	4	208,500	5

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.

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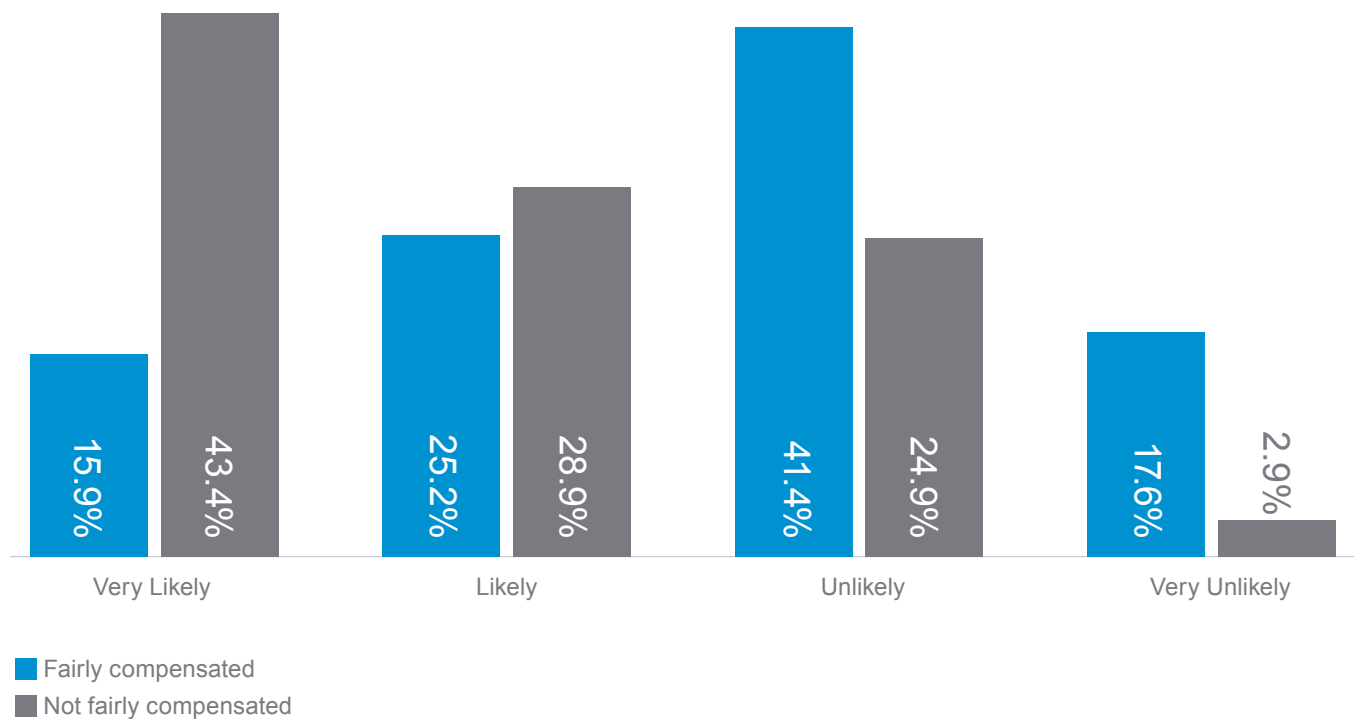
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Median total compensation for those with more than 20 years of experience is \$370,000.

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

An online survey was deployed to known financial professionals in the region represented by CFA Society New York. Email subscribers of the Society 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 765 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 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 the CFA Society

Since 1937, CFA Society New York (CFANY) has sought to raise the standards of the investment industry through global insight, a dynamic community of local investment management professionals, and thought leadership. CFANY's mission is to raise the bar in investment management wherever possible and help establish the course for where the investment industry is headed.

CFANY is a leading voice within a network of CFA Societies in 150 countries, representing over 145,000 CFA Institute members worldwide. CFANY works in conjunction with CFA Institute to develop the industry's future professionals and to raise the standards of professionalism in the investment management industry.

CFANY is the largest CFA Institute member society in the world, and represents the interests of over 17,000 CFA charterholders in New York and New Jersey.

CFA Society New York has been recognized by CFA Institute, the global association of investment professionals that sets the standard for professional excellence, as the 2018 recipient of Most Outstanding Society. The 2018 Society Excellence Awards recognize CFA Institute member societies who have made an outstanding impact and contribution to delivering member value and furthering the mission of CFA Institute in their communities. The Outstanding Society award recognizes exceptional across-the-board performance in all areas, including:

- Strategic direction;
- Governance and leadership;
- Administrative, financial, and technological operations;
- Develop future professionals;
- Deliver member value;
- Build market integrity;
- Advance professionalism and professional recognition.

CFA Society New York was also bestowed the Research Foundation Award for Website and Social Media.

If you are interested in learning more about earning your charter, or to learn more about CFA Society New York, contact Mario Carias, CFA: mcarias@cfany.org.

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