

# National CFA® Charterholder Compensation Study 2015

11 August 2015



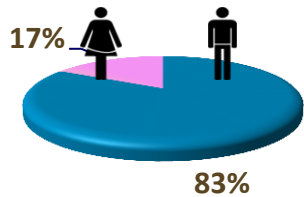
CFA Societies  
Canada

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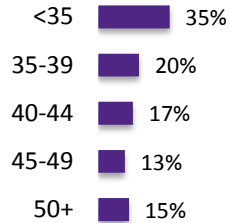
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# Respondent Profile

## Gender



## Age



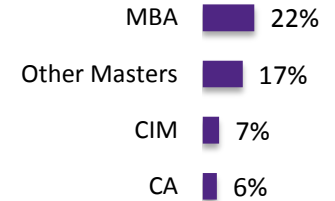
Average Age: 39.7

## Compensation

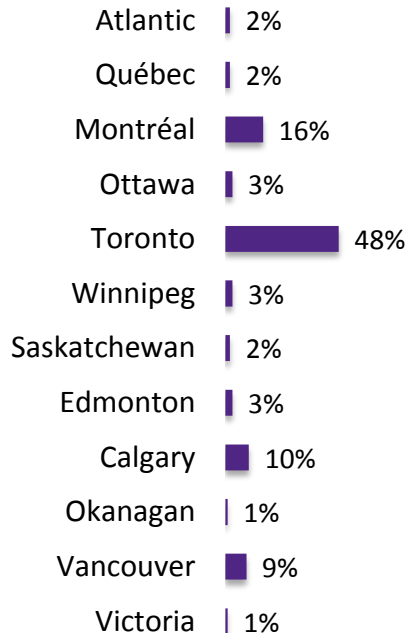


Average : \$296,020

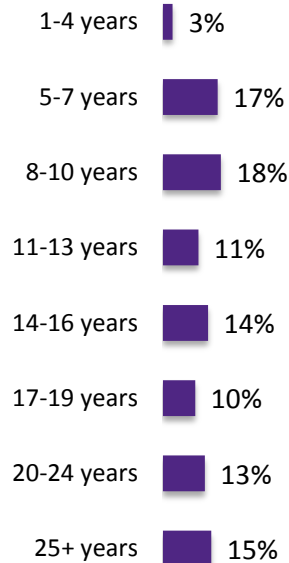
## Top Designations



## Society

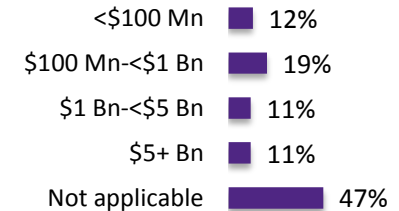


## Years of Experience

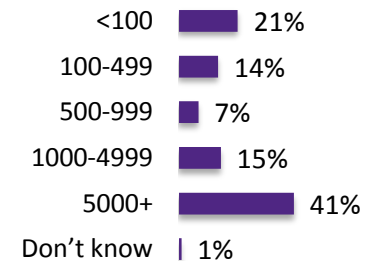


Average : 15.1 years

## Self-Managed AUM



## Employee Count

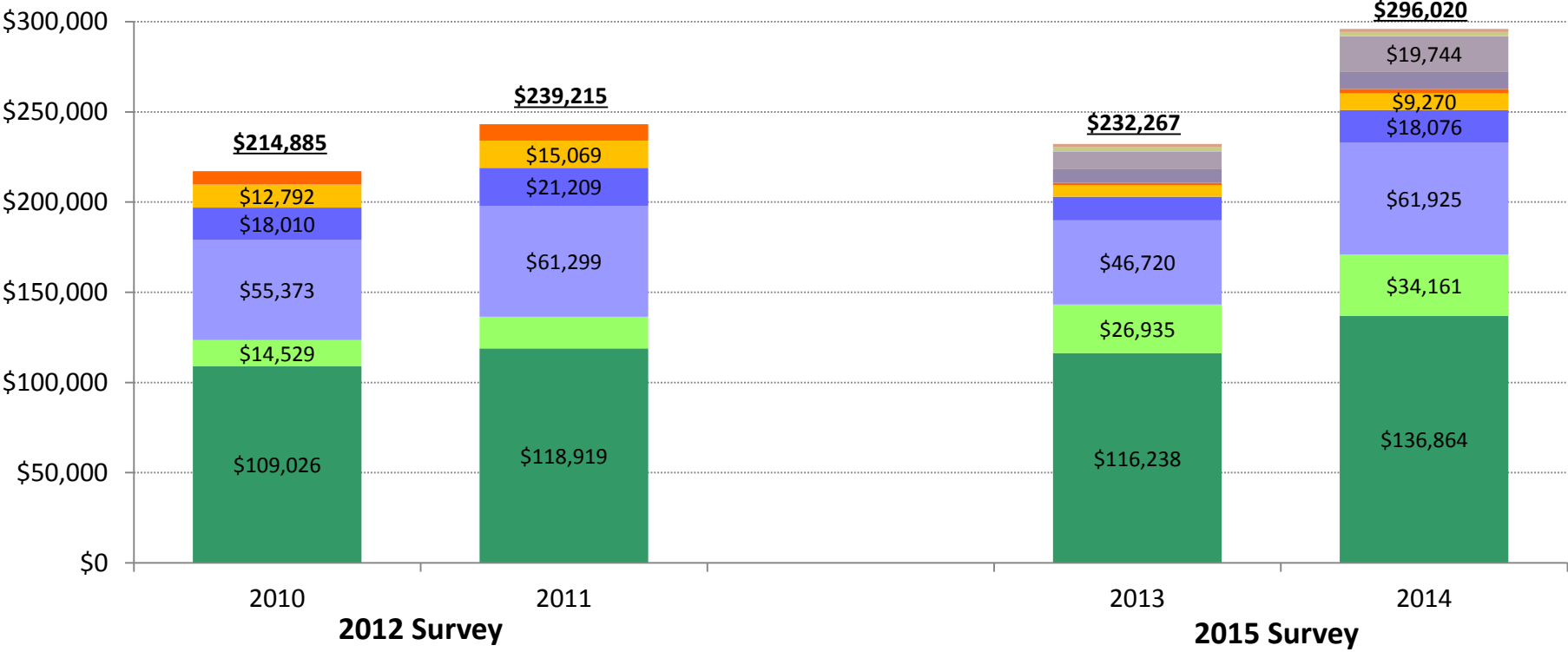


# Compensation Measures Summary

- Average total compensation reported by CFA charterholders for 2014 now stands at \$296,020, up from \$232,267 in 2013, and from \$214,885 reported for 2010 in the 2012 survey.
- Mean total compensation is significantly higher than median compensation (\$155,000), indicating a small proportion of CFA charterholders receive very high compensation. The top 25% of charterholders have compensation of at least \$290,000, rising to over \$10 million.
- Total compensation varies by region, sector and position held. These details are provided in the full report. A few highlights include higher compensation in Calgary (\$387,987), Winnipeg (\$357,667) and Okanagan (\$370,440) than in Québec (\$149,716), Atlantic Canada (\$177,559), and Ottawa (\$212,901).
- By position, total compensation is highest for equity PMs (\$629,037), CEO/CAO/COOs/CIOs (\$581,033), and multi-asset PMs (\$503,153); and is lower for portfolio analysts (\$108,511), compliance/regulatory (\$150,047), and those in marketing and product development (\$173,055).
- Those with longer tenure/more senior positions derive a larger proportion of their compensation from commissions and sales bonuses, as well as performance bonuses and profit sharing than from base salaries.
- Top benefits received include CFA Professional Membership Dues (97% - higher than the 48% who receive coverage for other professional associations) and various forms of insurance including health (95%), dental (94%), long-term disability (92%), life (91%), short-term disability (90%), and vision (88%). 69% receive pension benefits. Just under half (45%) say their employer pays for 100% of CE credits, while 12% say it pays for some but not all, and 8% pay only for mandatory credits. 43% do not pay for any.

# 2010-2014 Aggregate Compensation

## Aggregate Average Compensation across all CFA Charterholders by Year



- Other
- Consulting Fees
- Compensation as Board Director
- Dividends from employer company shares held
- Deferred/multi-year incentive compensation
- Stock Options
- Stock Awards
- Profit Sharing
- Performance Bonuses
- Commissions/Sales Bonuses
- Base Salary

# 2014 Aggregate Compensation

## Findings

- To create a picture of the aggregate, average compensation structure, the adjacent tables show the average compensation by category for all CFA charterholders. Thus, across all members, including those who receive each type or not, base salaries account for 46 percent of total compensation, while performance bonuses account for 21 percent.
- While stock awards/phantom shares and stock options represent a smaller percentage of total compensation across all members together, among the small proportion who receive them, they represent much higher average values.
- The slides that follow show breakdowns of total aggregate average compensation structures by total professional tenure, CFA Society and occupational role.

### Aggregate Average Compensation across all CFA Charterholders

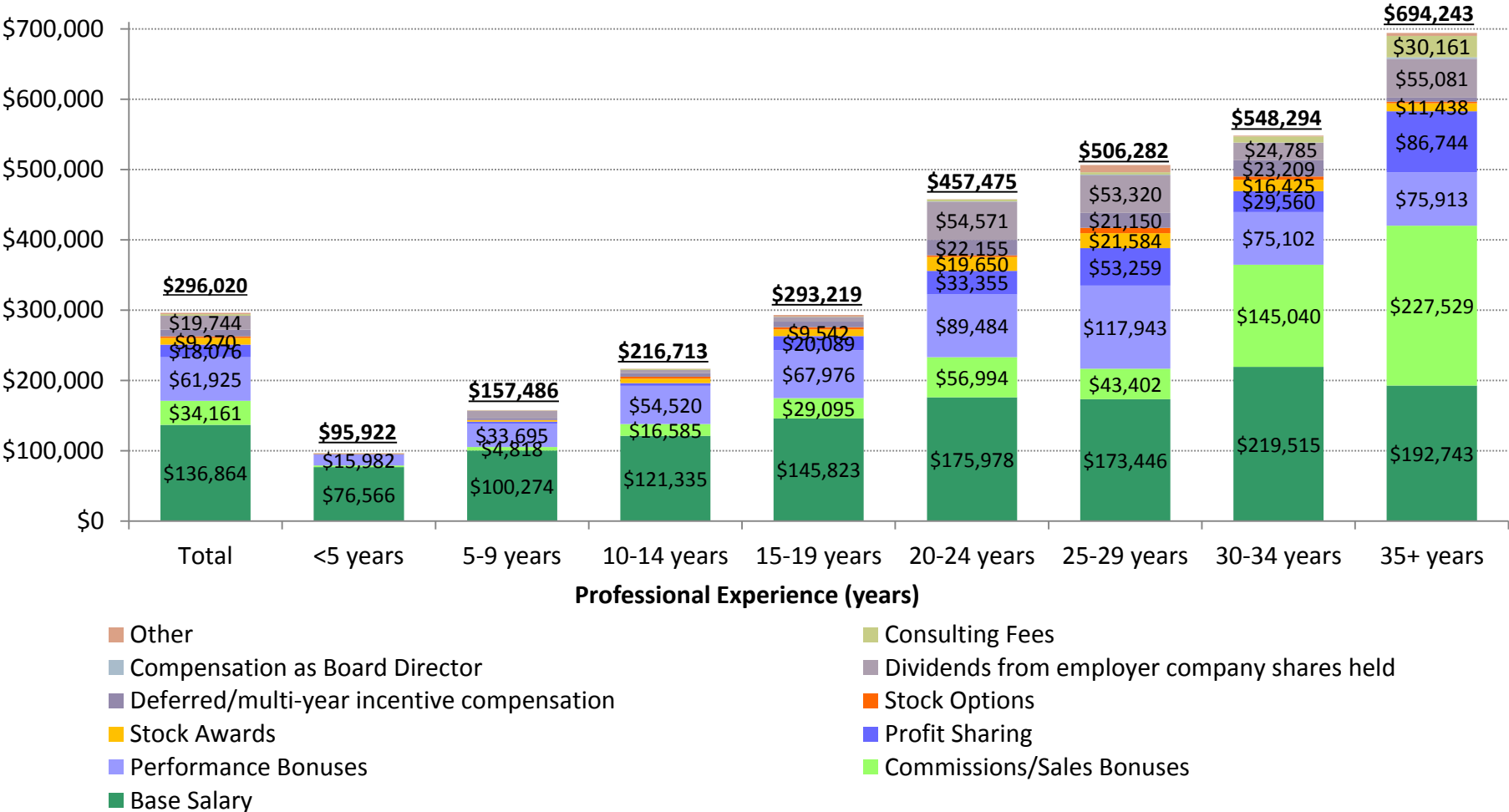
	Avg. compensation among all members				As Percentage of Sum of Compensation			
	2014	2013	2011	2010	2014	2013	2011	2010
Base Salary	\$137k	\$116k	\$119k	\$109k	46%	50%	49%	50%
Commissions/Sales Bonuses	\$34k	\$27k	\$18k	\$15k	12%	12%	7%	7%
Performance Bonuses	\$62k	\$47k	\$61k	\$55k	21%	20%	25%	25%
Profit Sharing	\$18k	\$13k	\$21k	\$18k	6%	6%	9%	8%
Stock Awards	\$9k	\$6k	\$15k	\$13k	3%	3%	6%	6%
Stock Options	\$2k	\$2k	\$9k	\$7k	1%	1%	4%	3%
Deferred/multi-year incentive compensation	\$9k	\$7k	-	-	3%	3%	-	-
Dividends from employer company shares held	\$20k	\$10k	-	-	7%	4%	-	-
Compensation as Board Director	<\$0.5k	<\$0.5k	-	-	0%	0%	-	-
Consulting Fees	\$2k	\$2k	-	-	1%	1%	-	-
<b>Total Compensation</b>	<b>\$296k</b>	<b>\$232k</b>	<b>\$239k</b>	<b>\$215k</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Aggregate Average Compensation Among Recipients

	Avg. compensation among those receiving each type		Avg. compensation among those receiving each type	
	2014	2011	2014	2011
Base Salary	94%	95%	\$147k	\$126k
Commissions/Sales Bonuses	14%	14%	\$225k	\$139k
Performance Bonuses	77%	77%	\$82k	\$80k
Profit Sharing	13%	15%	\$160k	\$145k
Stock Awards	15%	16%	\$63k	\$118k
Stock Options	7%	8%	\$43k	\$100k
Deferred/multi-year incentive compensation	12%	-	\$90k	-
Dividends from employer company shares held	7%	-	\$162k	-
Compensation as Board Director	<0.5%	-	\$25k	-
Consulting Fees	1%	-	\$110k	-
<b>Total Compensation</b>	<b>-</b>	<b>-</b>	<b>\$296k</b>	<b>\$239k</b>

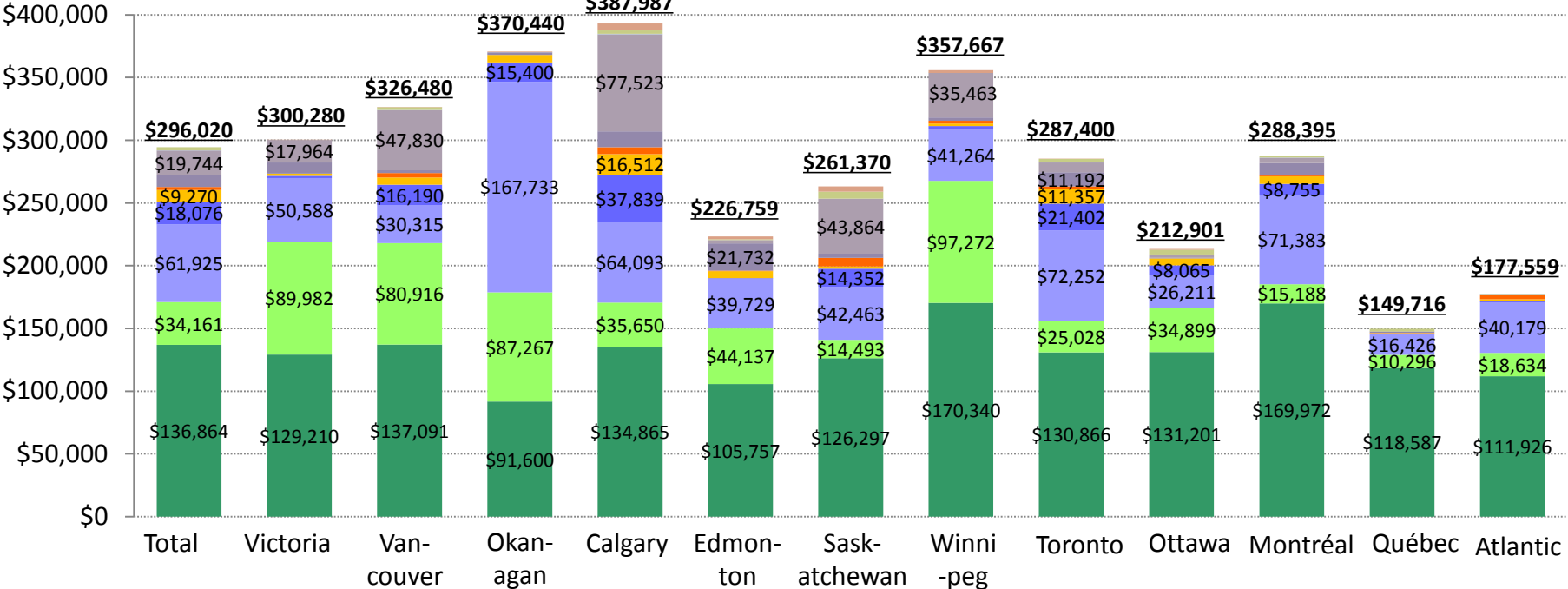
# 2014 Aggregate Compensation

## Aggregate Average Compensation across all CFA Charterholders by Total Professional Experience



# 2014 Aggregate Compensation

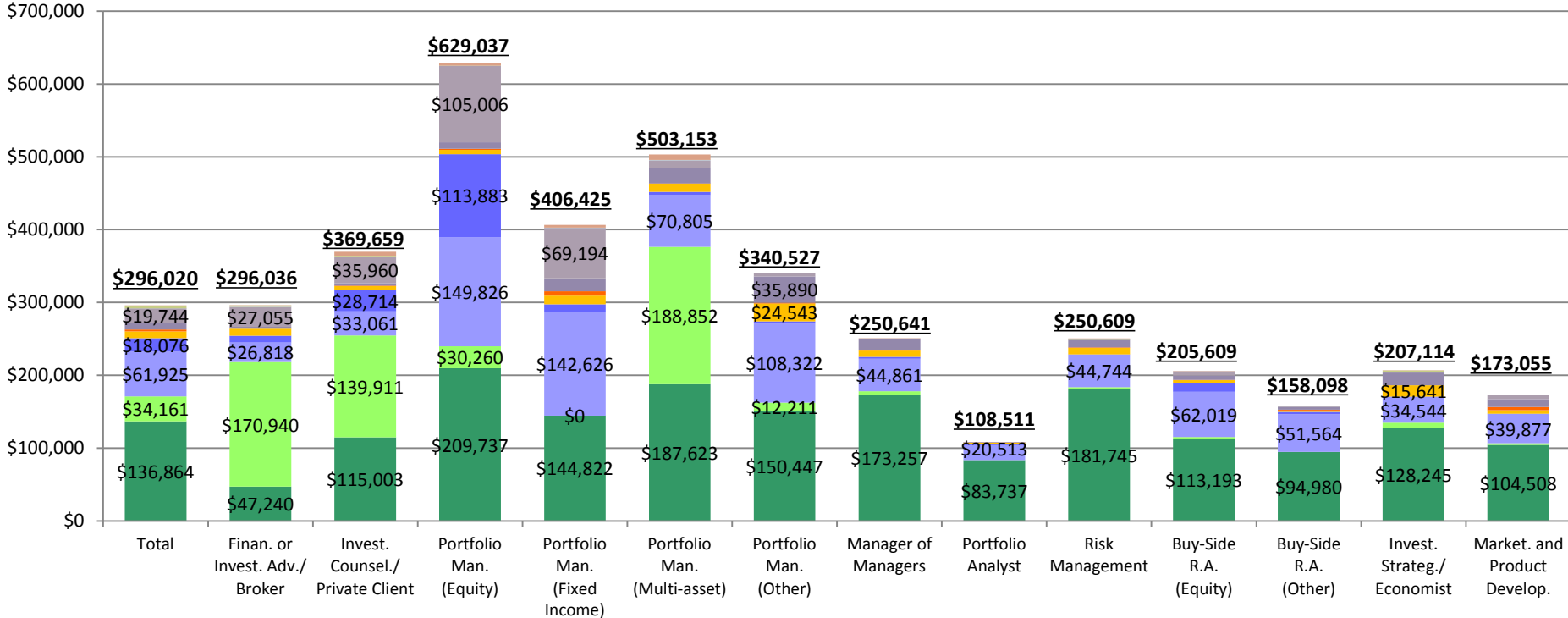
## Aggregate Average Compensation across all CFA Charterholders by CFA Society



- Other
- Dividends from employer company shares held
- Stock Awards
- Commissions/Sales Bonuses
- Consulting Fees
- Deferred/multi-year incentive compensation
- Profit Sharing
- Base Salary
- Compensation as Board Director
- Stock Options
- Performance Bonuses

# 2014 Aggregate Compensation

## Aggregate Average Compensation across all CFA Charterholders by Job Category



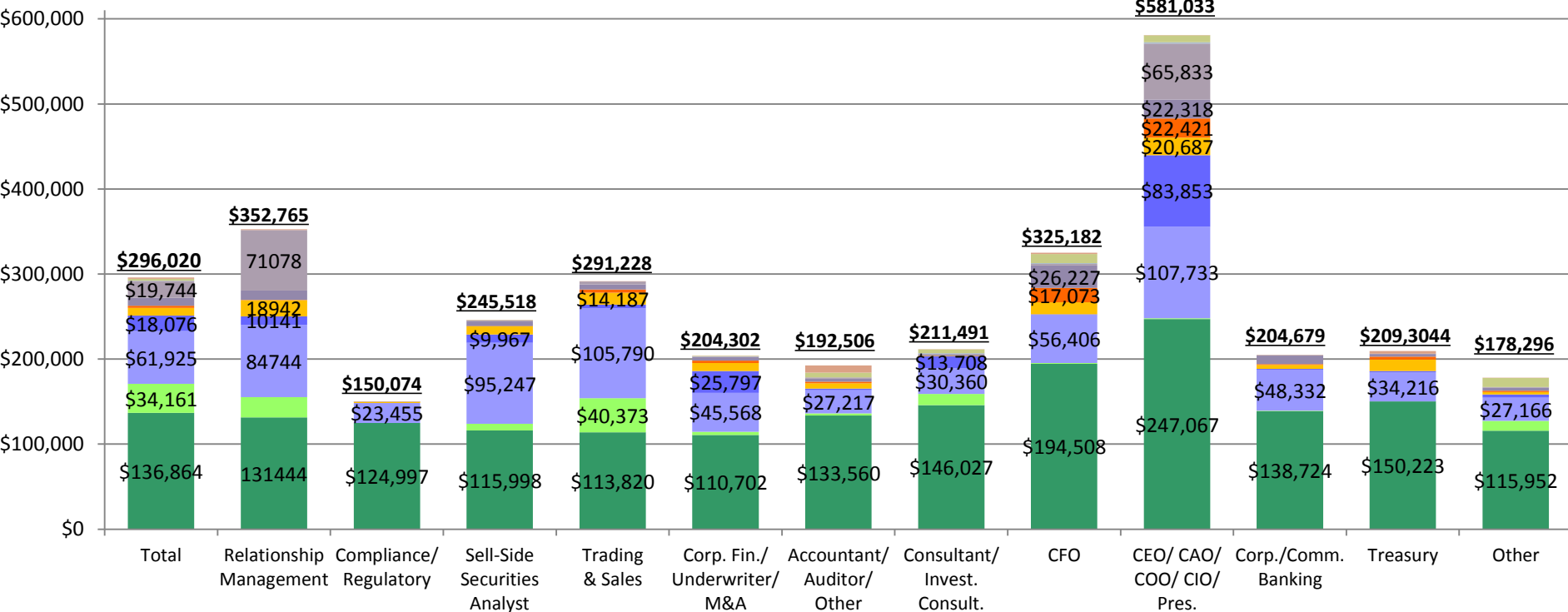
**Findings:**

- In the asset management world, Equity PMs earn more than fixed income or multi-asset.
- Portfolio Analysts are lowest in total compensation.

- Other
- Compensation as Board Director
- Deferred/multi-year incentive compensation
- Stock awards/phantom shares
- Performance bonuses
- Base salary
- Consulting Fees
- Dividends from employer company shares held
- Stock options
- Profit sharing bonuses
- Commissions/sales bonuses

# 2014 Aggregate Compensation

## Aggregate Average Compensation across all CFA Charterholders by Job Category



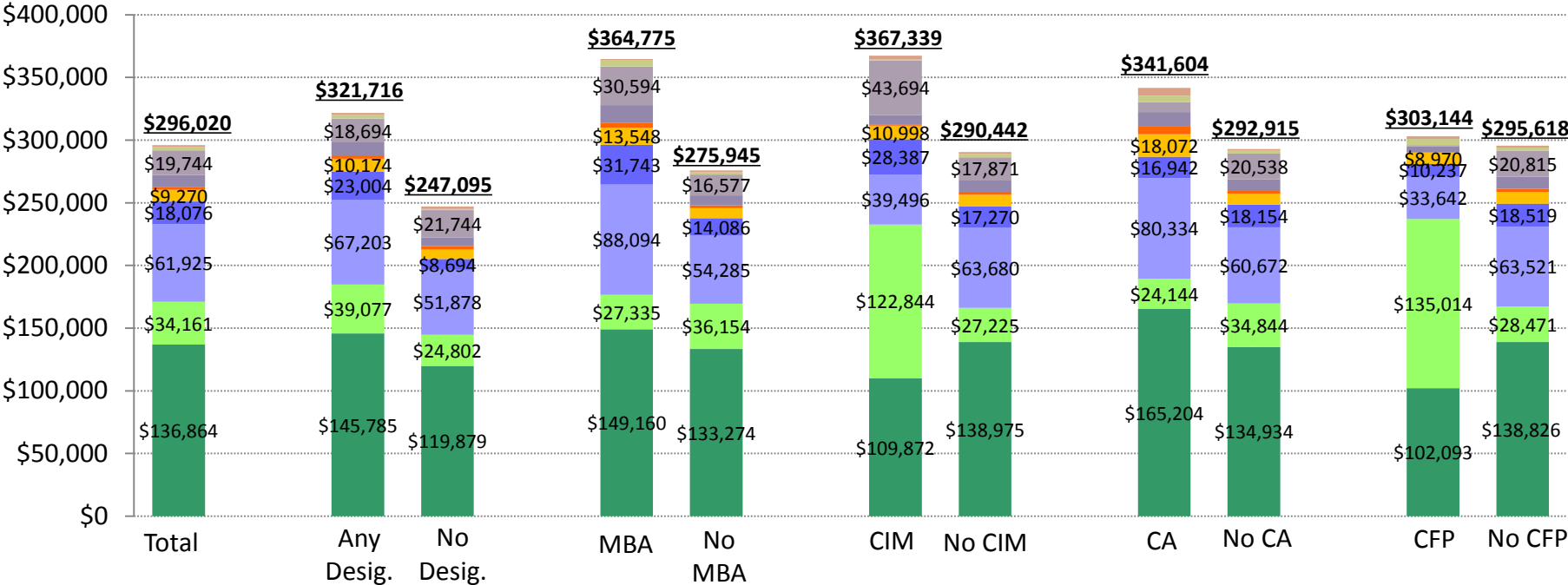
**Findings:**

- C-Suite level executives reign supreme.
- Relationship Management also has higher compensation.

- Other
- Compensation as Board Director
- Deferred/multi-year incentive compensation
- Stock awards/phantom shares
- Performance bonuses
- Base salary
- Consulting Fees
- Dividends from employer company shares held
- Stock options
- Profit sharing bonuses
- Commissions/sales bonuses

# 2014 Aggregate Compensation

## Aggregate Average Compensation across all CFA Charterholders by Designations Held



**Findings:**

- Those with the top four industry designations or degrees earn more than those who do not hold the designations.
- Those with any designation earn more than those with no designations.

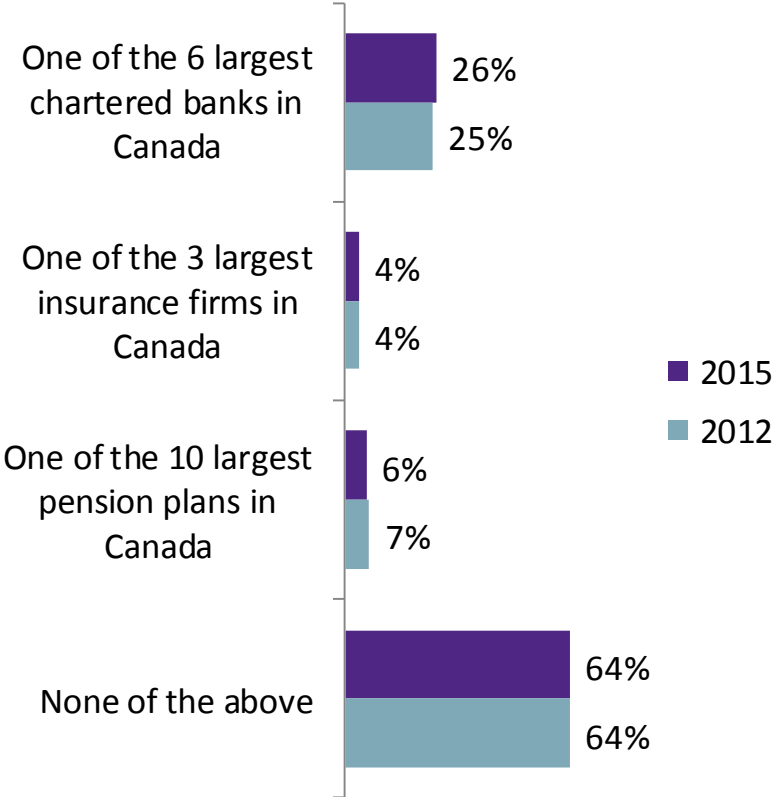
- Other
- Compensation as Board Director
- Deferred/multi-year incentive compensation
- Stock Awards
- Performance Bonuses
- Base Salary
- Consulting Fees
- Dividends from employer company shares held
- Stock Options
- Profit Sharing
- Commissions/Sales Bonuses

# Employment Summary

## Summary of Key Findings:

- CFA charterholders work for a wide range of employers including asset/fund management firms (27%), investment counselling (11%), sell-side brokerages (7%), pension management (7%), investment banking (5%), insurance (5%), financial services consulting (5%), and commercial banking (5%).
- A quarter (26%) work for one of the 6 largest banks, 4% for one of the 3 largest insurance firms, and 6% for one of the 10 largest pension plans – the remaining 64% work for other organizations. These are unchanged from 2012. The average employee count is 2,834, up from 2,765 in 2012.
- A wide range of positions are held, including Investment counsellor/private client (7%), corporate finance/underwriter/M&A (7%), risk management (6%), portfolio manager (equity) (6%), portfolio manager (other) (6%), sell-side securities analyst (5%) and CEO/CAO/COO/CIO/President (4%).
- Top roles performed include financial analysis (65%), client relationship management (52%), portfolio management/stock selection (45%), strategy development and planning (40%), general management/admin. (37%), performance management (34%) and internal control and risk management (31%). Most of these roles have declined slightly as lower incidence roles have become more prevalent, including trading (26% vs. 20%), compliance/regulatory oversight (24% vs. 14%), corporate finance (22% vs. 14%), senior management (20% vs. 12%), and HR (15% vs. 9%).
- More than half (53%) of CFA charterholders say they personally manage assets for their employers, managing an average of \$4.2 billion, up from \$3.5 billion in 2012.
- Top designations held in addition to the CFA charter include MBA (22%, down slightly from 26%), other Masters degrees (17%), CIM (7%), CA (6%), CFP (5%), FRM (5%) and FCSI (4%). One third (34%) hold no other designations.

# Employer



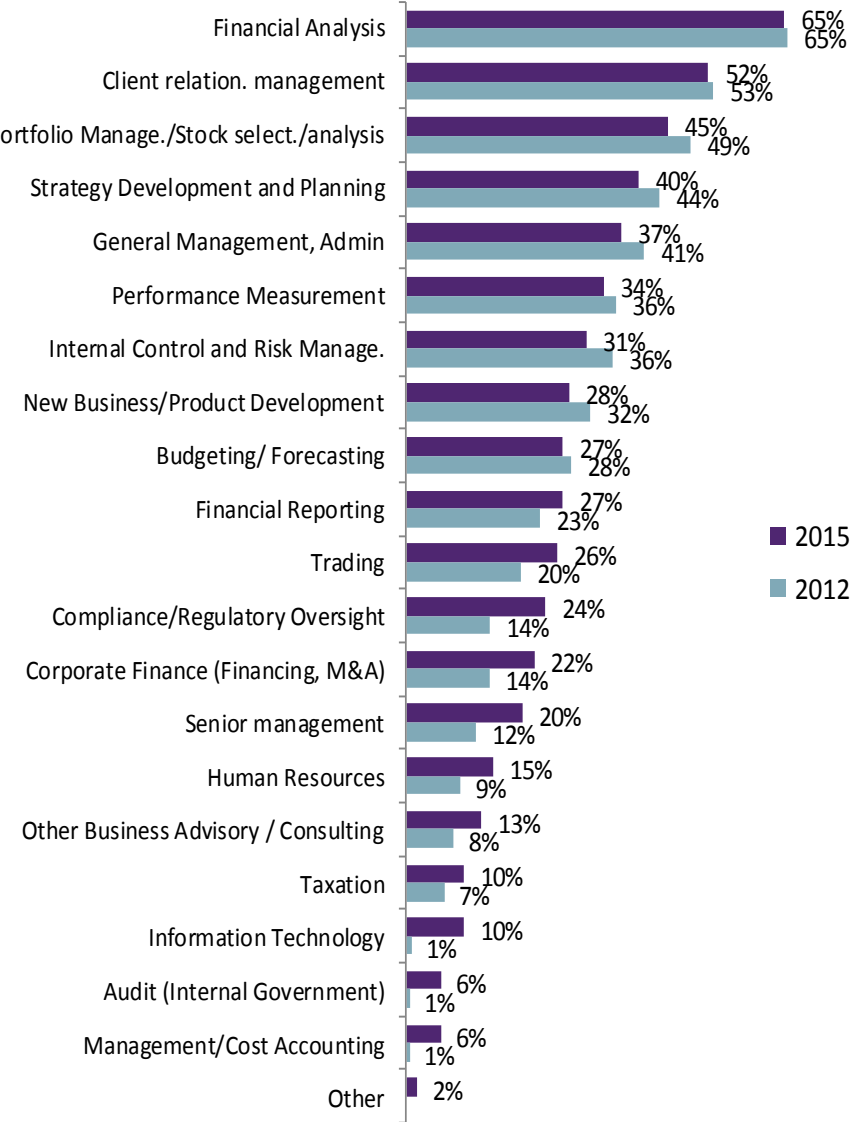
## Findings

- A quarter of CFA charterholders work for one of the 6 largest chartered banks in Canada (26%) while only 4 percent work for one of the 3 largest insurance firms and 6 percent for one of the 10 largest pension plans.
- Nearly two-thirds (64%) work for none of these types of organizations.

## Key Differences

- Those more likely to say one of the 6 largest chartered banks include those in Toronto (34%), English speakers (27%), those with 5,000+ employees (53%), those with \$20B+ in company AUM (43%) and those with 51+ hours a week (32%).
- Those more likely to say one of the 3 largest insurance companies include those in Winnipeg (18%) or Toronto (6%) and those with 5,000+ employees (9%).
- Those more likely to say one of the 10 largest pension plans in Canada include those in Victoria (50%), Edmonton (25%) or Montréal (13%), French speakers (12%), those under the age of 30 (10%) and those with 100-499 (13%), 500-999 (29%) or 1,000-4,999 (11%) employees.
- Those more likely to say they work in none of the above include those in Vancouver (76%), Calgary (81%), Saskatchewan (89%), Winnipeg (76%), Ottawa (86%), Québec (80%) or Atlantic Canada (80%), those with fewer than 100 (96%), 100-499 (76%) or 1,000-4,999 (79%) employees and those operating only within their own province (90%).

# Responsibilities



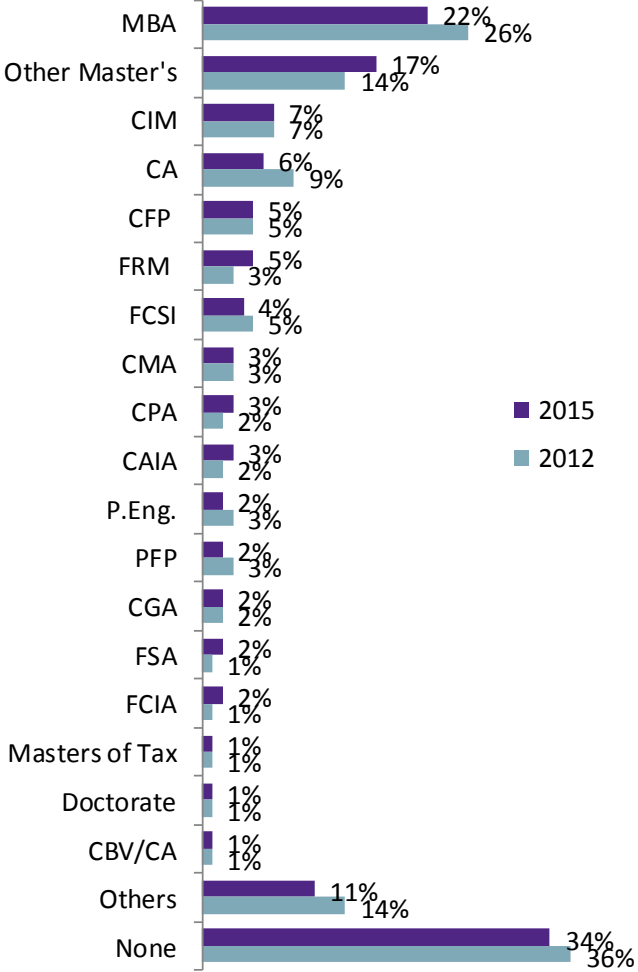
## Findings

- Top activities include financial analysis (65%), client relationship management (52%), portfolio management/stock selection/analysis (45%), strategy development and planning (40%), and general management/ administration (37%).
- Fewer are engaged in specialist activities like taxation, (10%), information technology (10%), audit (6%) or management/cost accounting (6%).

## Key Differences

- Those in Victoria (82%) and Calgary (74%) are more likely to conduct financial analysis, while those in Vancouver (65%) and Okanagan (87%) are more likely to conduct client relationship management; those in Okanagan are also more likely to conduct portfolio management/stock selection/analysis (80%) and trading (60%). Those in Calgary are more likely to conduct budgeting/forecasting (40%) and corporate finance (36%).
- Those earning total compensation of \$300k+ are more likely to be conducting client relationship management (72%), portfolio management/stock selection/analysis (61%), general management/administration (47%), strategy development and planning (47%), new business/product development (26%), trading (34%), senior management (38%), human resources (26%) and taxation (14%). Those earning a total compensation of less than \$100k are more likely to be conducting financial reporting (30%).

# Designations



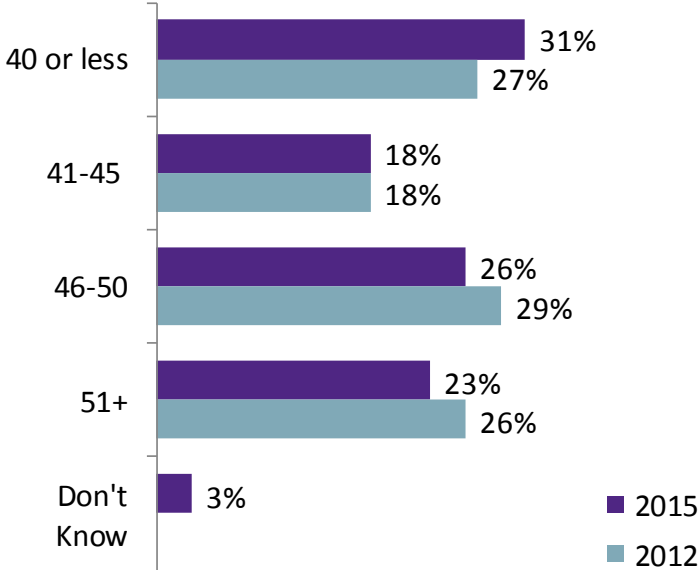
## Findings

- The MBA is the most frequently held designation, held by two in ten CFA charterholders (22%). Other top designations include other Master's degrees (17%), the CIM designation (7%), the CA (6%), the CFP (5%) and the FRM (5%).
- One-third of CFA charterholders indicate they do not hold any other professional designations or post-graduate degrees (34%).

## Key Differences

- Those more likely to have a MBA include those in Toronto (28%), English speakers (24%), those ages 40-44 (27%), 45-49 (30%), 50-54 (33%) or 55+ (35%), those working in retail banking (34%), those who work 51 hours or more a week (28%), those earning \$300k+ in total compensation (30%) and those in the role of Equity Portfolio Manager (29%).
- Those more likely to have an other Master's degree include those in Montréal (34%) or Québec (38%), those ages 35-39 (23%), those working in government finance (33%) and those in the role of Fixed Income Portfolio Manager (29%), Risk Management (25%) or Investment Strategist/Economist (42%).
- Those more likely to say they have no professional designations include those in Vancouver (40%), Calgary (49%) or Winnipeg (46%), those under the age of 30 (60%) or 30-34 (45%), those with <\$100k in compensation (42%) and those in the position of Relationship Management (48%), Corporate Finance/Underwriter/Mergers & Acquisitions (41%) or Corporate/Commercial Banking (48%).

# Hours



	2015	2012
Mean	47.6 hours/week	48.4 hours/week
Median	46.0 hours/week	50.0 hours/week

## Findings

- CFA charterholders report working an average of 47.6 hours per week, down significantly from 48.4 hours per week in 2012.
- About a quarter (23%) say that, on average, they work 51+ hours a week and a further 26 percent work 46-50 hours.
- Three in ten work 40 hours or less (31%).

## Key Differences

- Those working longer hours include those in Toronto (48.6 hours), men over women (48.0 vs. 45.9), those under the age of 30 (50.0), those working in investment banking (56.0) or sell-side brokerage firm (53.4), those working for the six chartered banks (49.2), those operating in the U.S. (48.5) or abroad (48.7), those with a total compensation of \$300k+ (51.0), and those in the role of Equity Portfolio Manager (49.6), Relationship Management (49.2), Sell-side Securities Analyst (53.2) or CEO/CAO/COO/CIO/President (50.0).
- Those working fewer hours include those in Edmonton (44.7), Winnipeg (45.8), Ottawa (45.9), Montréal (46.4) or Québec (43.7), those age 55+ (45.8), those working in retail banking (45.3), insurance (43.4), pension management (45.8) or government finance (42.8), those with <\$100K in compensation (45.5), and those in the role of Financial Advisor/Broker/Investment Advisor (45.3), Manager of Managers (44.2), Portfolio Analyst (43.2), Risk Management (44.1), Compliance/Regulatory (43.1), Accountant/Auditor (44.9), Consultant/Investment Consultant (44.3) or Treasury (45.6).

# Methodology and Sampling

<b>Method</b>	E-mail invitation to complete an online survey
<b>Respondents</b>	Members of CFA Societies from across Canada Sample lists provided by each CFA Society No screening or attempts to set quotas by member type were made
<b>Timing</b>	April 28 – May 25, 2015 Median completion time of 17.4 minutes
<b>Sample Size</b>	n = 2,606, with a response rate of 19.3 percent
<b>Statistical Significance</b>	At the national level, results are considered accurate to within +/-1.7 percentage points, 19 times out of 20. The margin of error for subgroups will be wider.

# Media Inquiries/Contact Info

**For media inquiries, please contact:**

Patricia Stathi

CFA Society Toronto  
120 Adelaide Street West, Suite 701  
Toronto, ON M5H 1T1  
Phone: 416.366.5755 X 235  
Fax: 416.366.6716  
Email: [media@cfatoronto.ca](mailto:media@cfatoronto.ca)

**For questions regarding the survey, please contact:**

Candice Spencer  
Canadian Region, Relationship Manager

CFA Society Toronto  
120 Adelaide Street West, Suite 701  
Toronto, ON M5H 1T1  
Phone: 416.366.5755 X 229  
Fax: 416.366.6716  
Email: [canadianrelations@cfatoronto.ca](mailto:canadianrelations@cfatoronto.ca)

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