



Survey of Boston Area Chartered Financial Analysts

Compensation, Benefits & Employers

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3/16/2012

Overview

Surveys were e-mailed to 1,184 chartered financial analysts (CFAs) located in the Greater Boston area. Survey results were collected from February 28 until March 9, 2012. A total of 132 surveys were completed for a response rate of 11%. Of the completed surveys, 124 were usable and analyzed for this report.

Sample Characteristics

Average age: 38.5 years

Average years of professional experience: 14.5

Male: 92%

Female: 8%

Work in Boston: 70%

Work in surrounding areas: 30%

Salary

The average (mean) salary was \$157,727 per year for all respondents. Salaries varied considerably as indicated by a standard deviation of \$70,642 and the distribution below.

Salary Range	Percentage
\$0-50,000	3%
\$50,001-100,000	21%
\$100,001-150,000	34%
\$150,001-200,000	26%
\$200,001-250,000	10%
\$250,000-300,000	5%
Over \$300,000	2%

Salaries showed a 5.08% increase in 2011 over 2010. This is relatively strong growth compared to overall Boston area wage and salary growth of 2% reported by the Bureau of Labor Statistics (www.bls.gov/ro1) during the same time period.

Total Compensation

The average 2011 total compensation (salary plus incentives) increased 9.97% to \$266,048 with a standard deviation of \$199,703.

Total Compensation Range	Percentage
\$0-100,000	12%
\$100,001-200,000	40%
\$200,001-300,000	21%
\$300,001-400,000	11%
\$400,001-500,000	4%
\$500,001-600,000	4%
\$600,001-700,000	3%
\$700,001-800,000	2%
Over \$800,000	2%

Other Compensation Findings

No statistical difference was found in the salaries and total compensation of Boston professionals versus those in surrounding areas. We expected compensation to be higher in the city.

A very small correlation was found between years of professional experience and total compensation of +5% (where +100% is a perfect correlation and -100% is a perfect inverse correlation). We found a larger correlation between age and total compensation of +19%. We have no hypothesis for why age would be a stronger determinant of compensation than experience.

Unemployment Rate

The survey indicated an unemployment rate of only 3.2% among the CFA population. This is very low relative to the U.S. Bureau of Labor Statistics rate of 8.3% for the entire country and the Gallup poll rate of 9.1%.

Benefits

The following is a list of the primary compensation and benefits received by respondents. All other benefits received negligible responses and were not listed.

Compensation & Benefits	Percentage
Base Salary	99%
Bonus	93%
401k	80%
Health Plan	73%
Equity	33%
Pension	15%
Commissions	9%
Stock Options	9%

Compensation Change

The following chart shows that a large percentage of respondents received increased compensation in 2011 versus 2010.

Compensation Level	Salary	Total Compensation
Increase	58%	73%
Decrease	1%	14%
No Change	41%	13%

Current Employer

Fully half the respondents work for a mutual fund company or registered investment advisor (RIA).

Employer Type	Percentage
Mutual Fund Company	27%
Registered Investment Advisor	23%
Insurance Company	9%
Brokerage Firm	7%
Trust Company	7%
Consulting Firm	6%
Commercial Bank	6%
Hedge Fund	4%
Investment Bank	3%
Private Equity	3%
Venture Capital	2%
Technology Provider	2%
College/University	2%

Role/Job Function

Survey respondents work predominantly in portfolio management, analyst and research roles.

Role	Percentage
Portfolio Management	41%
Analyst	28%
Research	27%
Sales/Business Development	15%
Consulting	11%
Product Development	10%
Trading	7%
Accounting	5%
Unemployed	3%
Self-employed	2%

Level

Senior executives receive the highest salary and total compensation, followed by individual contributors with middle managers earning the least.

Role	Percentage	Salary	Total Compensation
Individual Contributor	51%	\$138,159	\$233,818
Management	35%	\$80,700	\$210,864
Senior Management	13%	\$187,095	\$463,147

Employer Size

Compensation by employer size conforms to a nice bell shape with professionals at mid-size firms earning the most.

Employer Size	Salary	Total Compensation
1-5 employees	\$129,875	\$203,375
6-25	\$159,347	\$231,526
26-100	\$168,789	\$257,410
101-1,000	\$163,821	\$319,182
1,001-10,000	\$148,214	\$278,823
Over 10,000	\$141,952	\$267,867

Most Desirable Employer

We asked survey respondents to name their favorite employer in the Boston area. The most desirable company, by far, was Wellington Management (www.wellington.com). They received 206% more votes than the nearest competitor and received 37% of all votes.

About Brower Group

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