



2017 AFP

AFP[®]

ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

Compensation Report

SURVEY HIGHLIGHTS AND USAGE GUIDE



2017 AFP
Compensation Report
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Appendix B of the report is accessible to AFP members and survey participants only. (see page 18)

Introduction

The Association for Financial Professionals® (AFP) continues to focus on providing its members with relevant and accurate information and resources that can support and advance their careers. In keeping with this objective, we are pleased to present the results of the *2017 AFP Compensation Survey*.

This is the 29th annual *AFP Compensation Report*. It provides detailed job description and salary information for 20 different job titles in seven different industries across the four major census regions of the U.S.

The **first section** of the report provides an overview of salary information for the 20 titles, influences on salary, and reasons for upward mobility in the careers of finance professionals. Also included is an examination of skills and competencies of finance professionals and talent and skill gaps that may exist.

The **second section** of the report presents detailed segmented salary data for each of the 20 titles by education, years of experience, geographic region, organization revenue, number of employees and industry. Also included in this section are updated and detailed job descriptions for the 20 titles. **Appendix B of the report is accessible to AFP members and survey participants only. (see page 18)**

Methodology

In February 2017, AFP conducted its *2017 AFP Compensation Survey*. The survey collected data on total compensation earned by finance professionals during calendar year 2016 as well as data on base salaries effective January 1, 2017. Compensation was defined as salary plus any bonuses awarded. The survey was sent to treasury and finance professionals with diverse corporate profiles. (For more information on respondent demographics, see page 16.) The survey also asked senior level finance professionals to provide compensation information for their organizations' entire treasury and finance staff. Over 3,100 professionals responded on behalf of nearly 4,900 incumbents holding the 20 job titles tracked. AFP thanks all the respondents who participated in this research.

We do hope you will find the data and analysis in the *2017 AFP Compensation Report* to be relevant, timely and valuable in managing your own career and/or an effective resource in benchmarking compensation costs for finance professionals in your organizations as well as prospective employees. If you have any questions about the content of this report, please contact AFP at 301.907.2862 or e-mail **AFP Research** at research@afponline.org

Economic Environment

At the time the *2017 AFP Compensation Survey* was conducted, the U.S. economy was stable and exhibiting several positive indicators. In February of 2017, there were 7.5 million unemployed persons and the unemployment rate was holding steady at 4.7 percent.¹ Real gross domestic product grew at an annual rate of 1.9 percent in the fourth quarter of 2016.² Average hourly earnings for American workers rose by 2.8 percent in 2016 from 2015, the largest increase in wages since 2009.³ But while the U.S. economy currently remains stable, there was a growing sense of uncertainty as we approached 2017. In the wake of the 2016 U.S. election, businesses anticipated economic growth, based in part on President Trump's promises of deregulation and increased infrastructure spending. At the same time, policies that will greatly impact the U.S. economy—such as immigration and tax reform and the repeal of the Affordable Care Act—have yet to take shape.

¹ Source: Bureau of Labor Statistics

² Source: Bureau of Economic Analysis; real GDP is the measure of the value of the output of goods and services, adjusted for price changes.

³ Source: Bureau of Labor Statistics

Salary Information

Finance professionals realized a 3.5 percent gain in their base salaries during 2016, similar to the 3.6 percent increase in 2015 reported in last year's survey. Management tier professionals garnered the greatest percentage increase—4.0 percent—followed by finance professionals in the Staff tier with an average increase of 3.4 percent. Finance professionals in the Executive tier earned an average increase of 2.7 percent. Exhibit 1 presents average annual salaries from January 2010 through January 2017.

At the Executive tier, the average 2.7 percent increase in base salaries from January 1, 2016 to January 1, 2017 represents a slight decline from the base salary increase reported in last year's survey (which reflected data for January 1, 2015 to January 1, 2016). Base salary raises for Staff tier positions decreased from 3.9 percent in 2015 to 3.4 percent in 2016. Management tier base salary increases averaged 4.0 percent in 2016, a slight uptick of 0.2 percentage points from 2015.

Among the Executive tier positions tracked, Controller/Comptroller garnered the highest average base salary increase of 3.3 percent. Within the Management tier, both the Manager Treasury/Finance and Financial Reporting Specialist positions gained an average salary increase of 5.1 percent—the largest increase for all 20 titles tracked. Accountant I and Accountant II both earned the highest increase within the Staff tier (3.9 percent).

Finance professionals realized a **3.5%** gain in their base salaries during 2016

Exhibit 1: Average Percentage Increase in Base Salary*

Job Tier	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Executive	2.7%	3.0%	3.5%	3.5%	3.8%	3.3%	3.2%
Management	4.0%	3.8%	4.6%	4.0%	3.5%	3.7%	2.7%
Staff	3.4%	3.9%	3.4%	4.1%	3.1%	3.5%	2.9%

*From January 1 of the earlier year to January 1 of later year

Exhibit 2: Average Compensation by Job Title

	2016 Base	2016 Bonus	2016 Total	2017 Base	% Base Salary Increase*
Executive Tier					
Chief Financial Officer	\$211,439	\$89,618	\$274,970	\$217,418	2.8%
Vice President, Finance	\$181,281	\$60,553	\$229,659	\$185,410	2.3%
Treasurer	\$192,584	\$78,043	\$252,670	\$197,498	2.6%
Controller/Comptroller	\$126,869	\$26,945	\$146,040	\$131,031	3.3%
Management Tier					
Director Treasury/Finance	\$137,753	\$29,490	\$163,646	\$143,202	4.0%
Assistant Treasurer	\$137,659	\$39,023	\$172,835	\$142,452	3.5%
Assistant Controller	\$108,860	\$26,110	\$126,376	\$114,013	4.7%
Manager Treasury/Finance	\$100,460	\$14,202	\$111,966	\$105,549	5.1%
Director Risk Management	\$151,505	\$41,536	\$183,961	\$156,286	3.2%
FP&A Director	\$146,118	\$33,508	\$177,381	\$150,747	3.2%
FP&A Manager	\$100,255	\$19,323	\$113,896	\$103,845	3.6%
FP&A Senior Analyst	\$84,096	\$8,655	\$94,470	\$87,629	4.2%
Financial Reporting Specialist	\$70,629	\$9,026	\$78,376	\$74,203	5.1%
Accounting Manager	\$95,515	\$13,207	\$105,565	\$99,392	4.1%
Cash Manager	\$96,726	\$14,703	\$107,122	\$101,161	4.6%
Assistant Cash Manager	\$80,919	\$9,555	\$86,622	\$83,815	3.6%
Staff Tier					
Senior Accountant	\$68,004	\$5,994	\$70,704	\$69,706	2.5%
FP&A Analyst	\$63,882	\$5,887	\$67,250	\$66,104	3.5%
Accountant II	\$55,281	\$4,685	\$57,154	\$57,460	3.9%
Accountant I	\$47,453	\$2,616	\$48,756	\$49,299	3.9%

*Percentage Base Salary Increase from January 1, 2016 to January 1, 2017

Bonuses

Bonuses, or incentive compensation paid to an employee for achieving specific goals/targets, are key components of a finance professional’s compensation package. In 2016, 74 percent of organizations awarded bonuses to their employees—the same share that did so in 2015, and a slightly larger share than the 72 percent that granted bonuses in 2014. Of those organizations that *did* give bonuses to their finance professionals in 2016, 94 percent awarded cash bonuses and 31 percent awarded stock options.

Of the three job tiers, Executive tier finance professionals received the largest average bonuses in 2016 both in terms of dollars and as a percentage of base salary. The average bonus for Executive tier professionals was \$63,957 or 36 percent of base salary. This is an increase from the average bonus of \$60,096 reported in 2015 (although the same percentage of base salary). The average bonus for Management tier professionals was \$20,804 in 2016—equivalent to 19 percent of base salary. In 2016, Staff tier bonuses averaged \$5,048 or eight percent of base salary.

74% of organizations awarded bonuses to their employees

The average bonus for Executive tier finance professionals was **\$63,957**—equivalent to **36%** of base salary

Factors Determining Bonuses

Exhibit 3: Average Bonuses Awarded in 2014-2016*

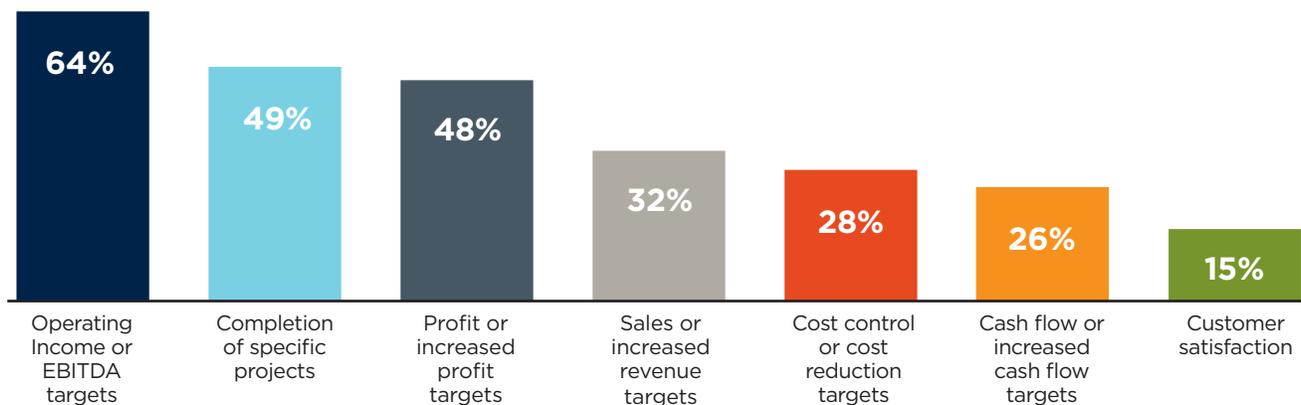
Year	2016		2015		2014	
	Average Bonus	% of Base Salary	Average Bonus	% of Base Salary	Average Bonus	% of Base Salary
Executive	\$63,957	36%	\$60,096	34%	\$57,500	34%
Management	\$20,804	19%	\$19,508	18%	\$19,534	19%
Staff	\$5,048	8%	\$5,018	9%	\$4,403	8%

*Average bonus awarded to finance professionals at organizations that offered bonuses

Various factors can determine the type and amount of a performance bonus. Survey results indicate that in 2016, 64 percent of organizations awarded performance bonuses based on operating income/EBITDA targets when awarding bonuses. Nearly half (49 percent) relied on completion of specific projects and a similar share (48 percent) relied on completion of specific projects and a similar share (48 percent) considered profits or increased profit targets when giving bonuses.

Exhibit 4: Factors Determining Performance Bonuses

(Percent of organizations)



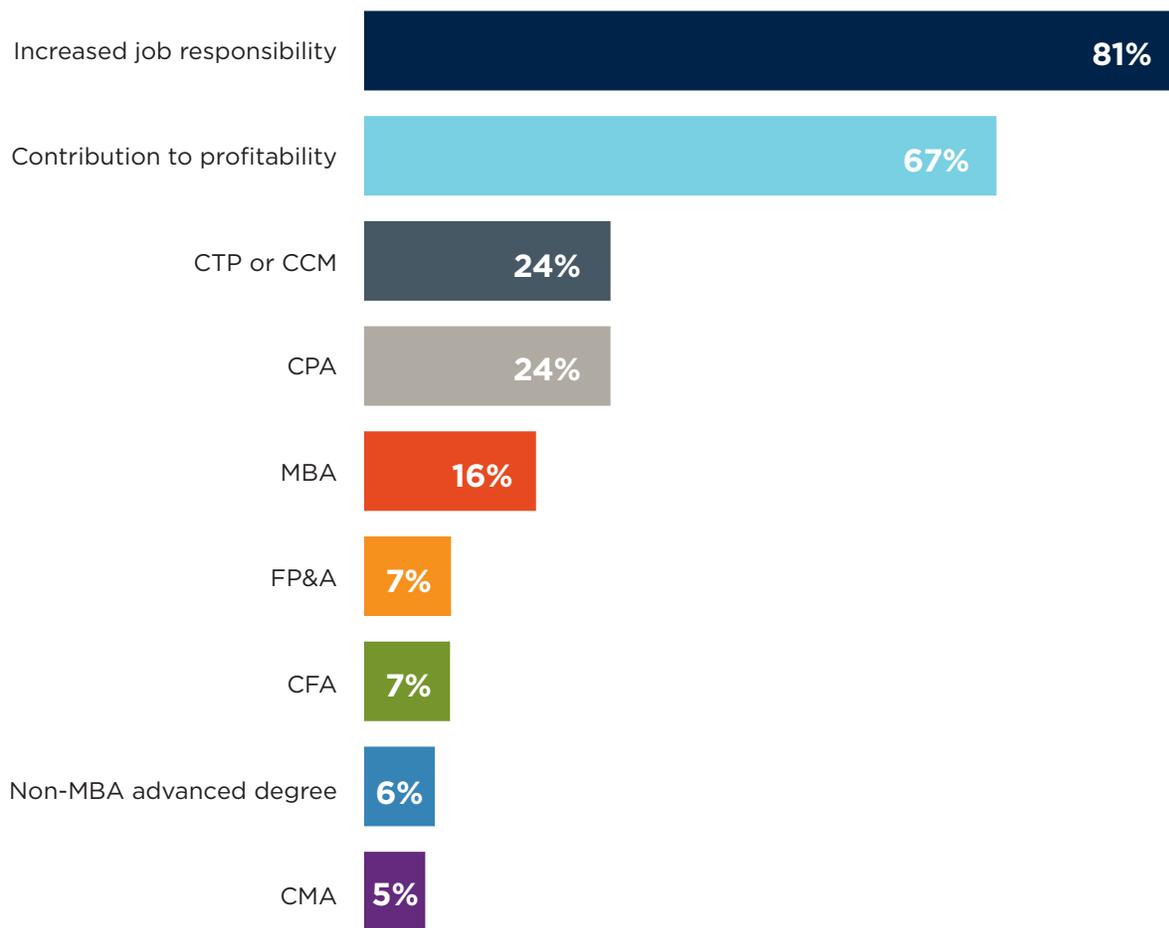
Career Advancement

A finance professional’s potential for promotion is influenced by various factors. The most-often cited criterion for upward mobility is increased job responsibility (cited by 81 percent of respondents). Other factors impacting career advancement include:

- Contribution to profitability (cited by 67 percent of respondents)
- Earning a professional certification such as AFP’s Certified Treasury Professional (CTP) (24 percent) or Financial Planning and Analysis (FP&A) (seven percent)
- Earning a CPA license (24 percent)
- Holding a MBA (16 percent)

Increased job responsibility and employee contribution to profitability are the most often-cited criteria for upward mobility

Exhibit 5: Factors Impacting Upward Mobility in Organization’s Treasury/Finance Department
(Percent of Organizations)



Influences on Salary

The earnings of finance professionals, too, are influenced by many factors including experience, education level and professional certification. Industry, geographic location and organization size are other key factors.

Education

In this year's survey, 52 percent of finance professionals report their highest level of education is a bachelor's degree. Another 43 percent have also earned their MBA or other post-graduate degree. Data from the survey indicate that those finance professionals with a MBA earned an average base salary in 2016 nearly \$14,000 higher than that of their counterparts who held only a bachelor's degree or high school diploma/associate degree.

Executive tier finance professionals with a MBA earned nearly \$16,000 more, on average, than did their peers without a MBA. Management tier finance professionals with a MBA earned over \$16,000 more, on average, than did their colleagues who did not hold an advanced degree. Exhibit 6 shows the average salary difference in the 2016 base salary for those finance professionals with a MBA degree versus those holding a bachelor's or high school diploma/associate degree.

Finance professionals with a MBA earned an average base salary nearly **\$14,000** more than that of their counterparts without a MBA

Exhibit 6: Difference in 2016 Base Salary and Base Salary Increases Earned by Financial Professionals with a MBA Compared to Those without a MBA

Job Tier	Average \$ Difference	Average % Base Salary Increase
Executive	\$15,944	9%
Management	\$16,130	16%
Staff	\$5,491	10%

Certification

Finance professionals who hold a professional certification can claim prestige and credibility in their field. Among the most recognized and respected certifications in the industry are the Certified Treasury Professional (CTP), Certified Public Accountant (CPA) and Financial Planning and Analysis (FP&A) designations.

For some positions, incumbents who hold certifications tend to have higher salaries than those who do not. The survey data shows that Assistant Treasurers and Managers Treasury/Finance who hold a CTP benefit the most from holding that certification; Assistant Treasurers and Managers Treasury/Finance with CTPs earn an average of \$20,692 and \$19,693 more, respectively, than do their colleagues without the certification. A selection of job titles and the difference in average salaries by CTP certification are provided in Exhibit 7.

Exhibit 7: Difference in Average 2016 Base Salary for Select Job Titles with a CTP

Job Category	Average \$ Difference	% Difference of Base Salary
Director Treasury/Finance	\$3,099	2%
Assistant Treasurer	\$20,692	16%
Assistant Controller	\$4,548	4%
Manager Treasury/Finance	\$19,693	21%
Financial Reporting Specialist	\$4,973	7%
Accounting Manager	\$10,288	11%
Assistant Cash Manager	\$11,983	16%
Accountant II	\$15,126	28%
Accountant I	\$8,384	18%

Exhibit 8: Average Base Salary Increase for Job Titles with CTP (January 1, 2016 - January 1, 2017)

Job Category	% Difference of Base Salary
Manager Treasury/Finance	5%
Vice President, Finance	5%
Cash Manager	5%
Assistant Cash Manager	4%
Director Treasury/Finance	4%
Chief Financial Officer	4%
Assistant Treasurer	3%
Director Risk Management	3%
Treasurer	3%

Finance professionals who hold the Financial Planning and Analysis (FP&A) certification provide insights to the financial decision-making process in an organization through analysis, financial projections (planning, budgeting and forecasting) and reporting. Those who hold the FP&A certification tend to have higher salaries than those who do not. In 2016, finance professionals with the FP&A certification earned 18 percent more, on average, than did their peers without the certification. The survey data show incumbents with the following job titles benefit the most from having the FP&A certification compared to their colleagues without the certification: Manager Treasury/Finance (a difference of \$24,836), CFO (\$20,075) and Director of Treasury/Finance (\$19,300).

Finance professionals with the FP&A certification earned **18%** more, on average, than did their peers without the certification

Exhibit 9: Difference in Average 2016 Base Salary for Select Job Titles with FP&A

Job Category	Average \$ Difference	% Difference of Base Salary
Chief Financial Officer	\$20,075	10%
Vice President, Finance	\$7,506	4%
Controller/Comptroller	\$16,990	13%
Director Treasury/Finance	\$19,300	14%
Manager Treasury/Finance	\$24,816	25%
FP&A Director	\$9,324	6%
FP&A Manager	\$6,465	7%
FP&A Senior Analyst	\$6,123	7%
Accounting Manager	\$7,603	8%
Cash Manager	\$11,161	12%
FP&A Analyst	\$2,854	4%

Exhibit 10: Average Base Salary Increase for Job Titles with FP&A (January 1, 2016 - January 1, 2017)

Job Category	% Difference of Base Salary
Accounting Manager	9%
Chief Financial Officer	7%
Director Risk Management	7%
Cash Manager	5%
FP&A Analyst	4%
Controller/Comptroller	3%
Vice President, Finance	2%
Senior Accountant	2%

Region

Besides the differences in salary based on years of experience, level of education and professional certification, finance professionals' salaries can also differ depending on the location of their organization. In examining the "average" salary of finance professionals in each of the four regions in the U.S. (as defined by the U.S. Census Bureau), the typical finance professional in the Northeast earned the largest base salary—a mean of \$119,074 annually. Average annual base salary for finance professionals in the West (\$115,846) outpaced that for those in the South and Midwest. Exhibits 11 and 12 present a selection of job titles and average salaries by geographic region.

Exhibit 11: Average Base Salaries by Geographic Region

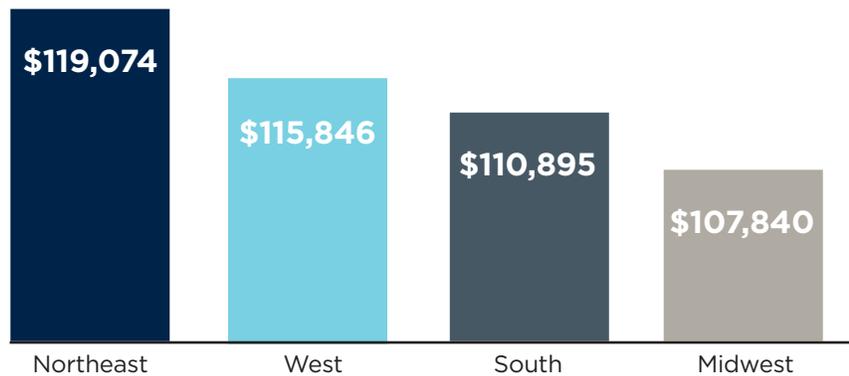


Exhibit 12: Select Job Titles' Average Salary by Geographic Region

Job Title	Northeast	West	South	Midwest
Chief Financial Officer	\$225,404	\$199,528	\$206,475	\$216,568
Vice President, Finance	\$190,874	\$177,064	\$180,909	\$173,420
Treasurer	\$227,448	\$183,005	\$182,312	\$188,524
Controller/Comptroller	\$138,606	\$122,359	\$118,971	\$122,516
Director Treasury/Finance	\$145,177	\$134,668	\$130,805	\$143,359
Assistant Treasurer	\$157,881	\$127,133	\$128,879	\$139,149
Assistant Controller	\$120,890	\$107,222	\$96,535	\$115,040
Manager Treasury/Finance	\$100,073	\$93,410	\$99,357	\$109,213
Director Risk Management	\$125,444	\$181,200	\$138,741	\$151,861
FP&A Director	\$157,821	\$139,100	\$151,586	\$139,935
FP&A Manager	\$113,797	\$98,077	\$93,405	\$102,578
FP&A Senior Analyst	\$88,331	\$83,624	\$78,722	\$87,711

Industry

AFP Compensation Survey data over the years have revealed that average salaries vary by industry. In 2016, average salaries ranged from \$100,802 for finance professionals in the Government/Non-profit sector to \$126,064 in the Technology Services sector—a 25 percent difference. Finance professionals in the Energy/Utility industry earned an average annual salary of \$124,242 and those in Manufacturing/Construction earned an average annual salary of \$116,537.

Finance professionals in the Technology Services sector earned **25%** more, on average, than did their counterparts in the Government/Non-profit sector

Exhibit 13: Average Base Salaries by Industry

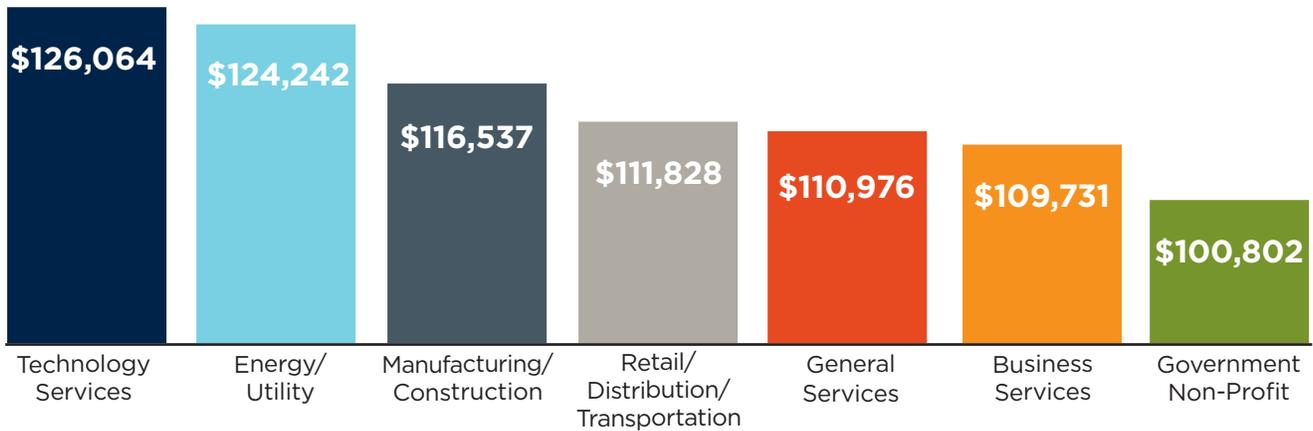


Exhibit 14: Select Job Titles' Average Salary by Industry

Job Title	Energy/Utility	Technology Services	Manufacturing Construction	General Services	Business Services	Retail/Distribution Transportation	Government/Non-Profit
Chief Financial Officer	\$214,135	\$231,332	\$207,341	\$180,011	\$220,047	\$220,143	\$209,945
Vice President, Finance	\$168,033	\$206,250	\$172,365	\$129,523	\$201,473	\$193,297	\$183,902
Treasurer	\$196,240	\$171,811	\$211,814	\$149,288	\$208,380	\$188,886	\$236,714
Controller/Comptroller	\$115,846	\$145,773	\$132,692	\$114,104	\$128,866	\$126,963	\$135,373
Director Treasury/Finance	\$142,008	\$150,246	\$135,731	\$115,262	\$142,745	\$136,266	\$146,750
Assistant Treasurer	\$132,516	\$130,360	\$135,500	\$122,571	\$147,694	\$141,475	\$151,930
Assistant Controller	\$104,225	\$122,360	\$99,236	\$92,887	\$109,354	\$111,356	\$170,571
FP&A Director	\$141,308	\$158,026	\$138,304	\$122,442	\$157,737	\$138,870	\$157,375
FP&A Manager	\$88,416	\$109,620	\$104,405	\$92,244	\$104,490	\$96,857	\$98,250
Cash Manager	\$104,713	\$102,400	\$92,460	\$94,205	\$96,634	\$82,662	\$107,887
Assistant Cash Manager	\$66,489	\$90,483	\$76,444	\$96,960	\$88,099	\$72,195	\$77,750
Senior Accountant	\$67,144	\$78,625	\$64,032	\$65,879	\$66,070	\$67,271	\$72,871

Organization Size: Annual Revenue and Number of Employees

Organization size, as measured by annual revenue or size of workforce, often influences employees' salaries, and the survey data reveal disparities in salaries based on revenue and number of employees. In 2016, a typical finance professional at a company with annual revenue under \$100 million earned an average base salary of \$92,411 while his/her counterpart at a company with at least \$1 billion in annual revenue earned an average of \$134,343—a difference of 45 percent.

When looking at organization size by number of employees, we see a similar pattern: finance professionals at organizations with 1,000 or more employees earned 30 percent more, on average, than did their peers at organizations employing fewer than 250 employees.

Finance professionals at organizations with annual revenue under \$100 million earned **45%** less than did their peers at organizations with at least \$1 billion in annual revenue

Exhibit 15: Average Base Salary: Annual Revenue



Exhibit 16: Select Job Titles' Average Salary by Annual Revenue

Job Title	<\$100M	\$100M-\$999.9M	\$1B+
Chief Financial Officer	\$174,942	\$259,737	\$389,652
Vice President, Finance	\$148,385	\$193,671	\$203,577
Treasurer	\$139,767	\$157,801	\$225,596
Controller/Comptroller	\$110,086	\$144,328	\$183,237
Director Treasury/Finance	\$113,751	\$134,437	\$144,143
Assistant Treasurer	\$73,370	\$112,990	\$155,337
Assistant Controller	\$77,538	\$100,466	\$144,478

Exhibit 17: Average Base Salary: Number of Employees

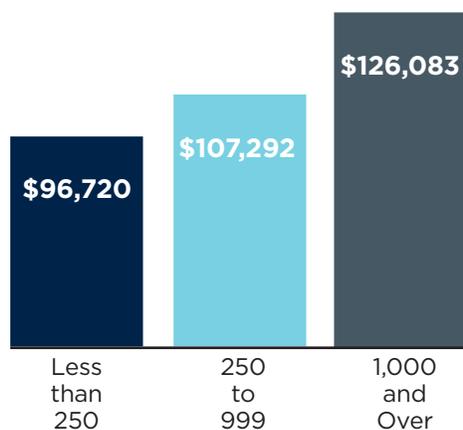


Exhibit 18: Select Job Titles' Average Salary by Number of Employees

Job Title	<250	250-999	1,000+
Chief Financial Officer	\$178,151	\$224,131	\$311,676
Vice President, Finance	\$152,022	\$185,209	\$203,689
Treasurer	\$141,293	\$157,222	\$210,633
Controller/Comptroller	\$113,584	\$131,070	\$158,168
Director Treasury/Finance	\$119,774	\$131,930	\$142,606
Assistant Treasurer	\$98,650	\$113,974	\$147,001
Assistant Controller	\$75,397	\$97,495	\$131,900

Benefits

Salaries and bonuses account for a portion of a finance professional’s overall compensation package. Additional benefits—such as health insurance, life insurance, paid vacation time and retirement plans—can add significant value to a compensation package. A strong benefits program can play an important role in an employee’s decision to accept a job. Organizations with generous benefits packages can have a competitive advantage in retaining and attracting talent. Ninety-nine percent of organizations provide health insurance to their employees, and 95 percent provide dental insurance. Paid paternity/maternity leave is offered by nearly half of organizations (47 percent), and one-third allows finance professionals the opportunity to tele-work/telecommute.

Leave time

Paid time off is important to most employees and is taken into serious consideration when evaluating a job offer. During the first year of employment, finance professionals employed at organizations that provide paid time off (a combination of paid vacation and sick leave) receive an average of 16 days with pay (see Exhibit 20). First-year employees who work for organizations that separate personal and sick leave receive an average of 12 days of paid leave and eight days of sick leave. In addition, all first-year employees receive an average of nine paid holidays.

Exhibit 19: Additional Benefits Offered by Employer
(Percent of Organizations)

Health insurance	99%
Dental insurance	95%
Life insurance	89%
Vision plan	88%
Retirement/Pension plans	83%
Disability insurance	82%
Health and wellness programs	64%
Employee Assistance Program	61%
Flexible work schedule	49%
Paid paternity/maternity leave	47%
Tele-work/Telecommuting options	33%
Profit sharing/stock options	32%
Paid volunteer leave	20%

Exhibit 20: Average Leave Organizations Provide During the First Year of Employment

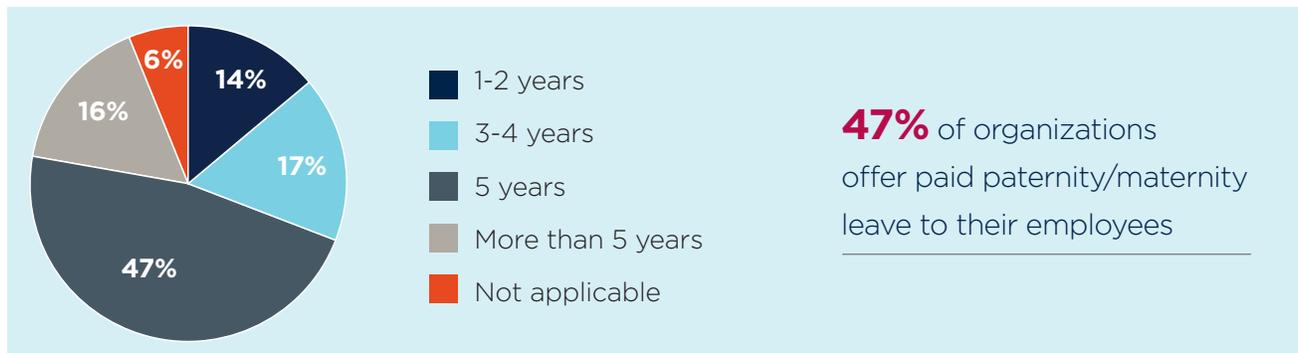


*Paid time off combines personal leave and sick leave

Many organizations provide employees with additional leave depending on employee tenure. At 94 percent of organizations, finance professionals earn five additional paid days off after being employed for a specific number of years (see Exhibit 21). At 63 percent of organizations, employees need to have been employed for at least five years to gain an additional five paid days off.

Exhibit 21: Awarding of Additional Week of Vacation

(Percentage Distribution of Organizations)



Skills and Competencies for Finance Professionals

There are certain skills and competencies which are considered essential in order for finance professionals to perform their jobs effectively and efficiently. These can be broadly grouped under the label “technical skills and competencies” and include strong analytical skills, advanced accounting knowledge, treasury and finance acumen, forecasting skills, finance reporting skills, knowledge of corporate taxation, advanced knowledge of organizational budgeting process, etc.

But beyond these core skills and competencies, there are other skills which are key to enhancing finance professionals’ job performance and which will help them succeed. As departments and business units are increasingly interconnected, employees need to engage with other departments, interact at a high level and, most importantly, understand the operations and strategic goals of their organizations. Consequently, other non-technical/non-analytical skills may be required.

Survey respondents cite a number of business competencies they consider essential for finance professionals to be able to succeed in their careers. Over half of survey respondents (54 percent) believe strong analytical skills are a critical competency for finance professionals. Other often-mentioned skills are:

- Leadership and people management skills (cited by 48 percent of respondents)
- Communication skills with internal and external stakeholders (34 percent)
- Interpersonal skills with colleagues and vendors (28 percent)
- Effective verbal and oral presentation skills (26 percent)

Results suggest that finance professionals recognize the value of strengthening competency skills beyond technical skills. As finance professionals plan their future, building on these competencies will help them in achieving upward mobility in their careers.

54% of survey respondents believe strong analytical skills is a critical competency for finance professionals

Exhibit 22: Essential Business Competencies for Finance Professionals

(Percent of Respondents)



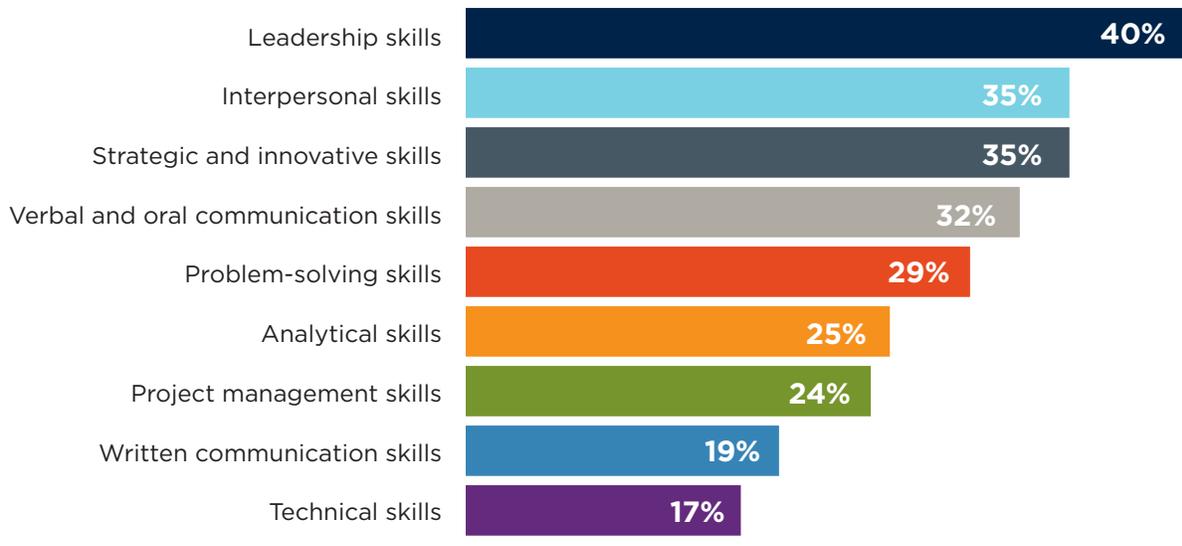
Talent Gaps or Weaknesses Impacting Job Performance

The skills and competencies that survey respondents indicate are important in enhancing their job performance and assisting them in succeeding in their careers also seem to be those that many finance professionals believe they lack. Despite the fact that leadership and “people skills” are considered important competencies by finance professionals, both for themselves and their peers, a large share of survey respondents—40 percent—believes that finance professionals at their organizations are lacking these skills. In addition, 35 percent perceive a dearth of strong interpersonal skills among finance professionals at their organizations. Other skills survey respondents believe are wanting in their peers but key to improving job performance are strategic and innovative skills (cited by 35 percent of respondents), verbal and oral communication skills (32 percent) and problem-solving skills (29 percent).

These “knowledge/skill” gaps could be negatively impacting job performance and possibly hindering the effectiveness of organizations’ treasury and finance departments. But they could present opportunities for improvement. Human Resource leaders and senior management at organizations may want to focus resources on building these skills among finance professionals in order to narrow such gaps via training, mentoring, etc.

40% of survey respondents report that finance professionals at their organizations lack leadership skills professionals

Exhibit 23: Talent Gaps and Weaknesses that Impact Job Performance
(Percent of Organizations)



Conclusion

Data from the *2017 AFP Compensation Survey Report* reveal that finance professionals' salaries increased by an average of 3.5 percent in 2016. Those in Management tier positions garnered the greatest percentage increase—4.0 percent—followed closely by finance professionals in the Staff tier with an average increase of 3.4 percent. Finance professionals in the Executive tier earned an average increase of 2.7 percent.

Three-fourths of organizations offered their employees bonuses in 2016. The average bonus was equivalent to 36 percent of base salary for those finance professionals in the Executive tier.

As in previous compensation surveys, results of the *2017 AFP Compensation Survey* continue to reflect the importance of education and professional certification in finance professionals' careers. These factors play critical roles in career advancement and also influence salary earnings potential. Incumbents holding professional certifications such as AFP's Certified Treasury Professional (CTP) and Financial Planning and Analysis (FP&A) are more likely to gain upward mobility than are their peers who do not hold such certifications. Higher education, e.g., having a MBA, also plays a role. In 2016, finance professionals with a MBA earned nearly \$14,000 more in 2016 (base salary) than did their counterparts with a bachelor's or high school diploma/associate degree.

Salaries continue to vary by industry and by region. Finance professionals in the Northeast earned the highest average salary in 2016. Average salaries ranged from \$100,802 for finance professionals in the Government/Non-profit sector to \$126,064 in the Technology Services sector—a 25 percent difference. Large organizations and those with a larger workforce tend to support higher compensation levels, on average.

Finance professionals are cognizant that competencies such as analytical, leadership and people skills are important to have if they want to gain upward mobility in their careers. The ability to combine effective leadership and communication with a methodological approach is highly desired but non-technical/ non-analytical skills appear to be lacking among many finance professionals. Forty percent of survey respondents indicate the finance community is lacking leadership skills, and more than one-third of respondents report there are gaps in interpersonal, strategic and innovative abilities as well as verbal and oral communication skills.

While there are several organizational factors that determine finance professionals' salaries (industry, size, revenue, location), there are additional factors that play a role in career advancement. The results of the *2017 AFP Compensation Survey* suggest it would be worth a finance professional's investment to earn a professional certification or higher degree, since holding those certifications or degrees tend to lead to higher incomes. Additionally, as many finance professionals lack some of the non-analytical but still highly desired business skills and competencies, they may want to seek the support of their organizations' senior management and Human Resource leaders for training and mentorship in these competencies which will benefit both themselves and their organizations.

About the Survey

In February 2017, the Association for Financial Professionals® (AFP) conducted its 29th Annual Compensation Survey. Results of the survey were aggregated and analyzed, and the findings are published in this report. Compensation information for 20 finance, treasury and accounting positions were evaluated based on education, geographic region, industry, company size and gross revenue, and years of experience. The report presents analysis on pay structures, documents general compensation trends for the finance profession, and includes job descriptions for the 20 positions.

Profile of Participants

The compensation tables feature data collected from nearly 4,900 incumbents at 3,152 organizations. The data in these tables reflect a diverse respondent base.

Exhibit A: Company Size: Number of Employees
(Percentage Distribution of Organizations)

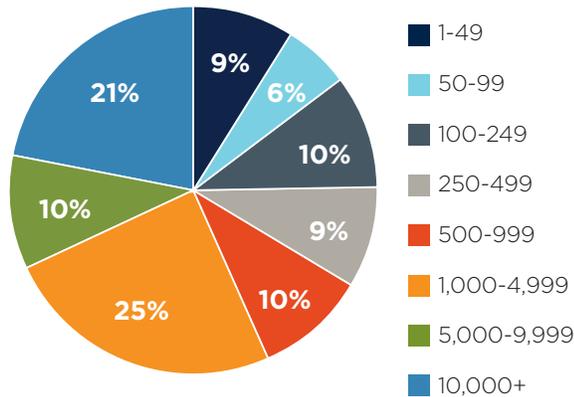


Exhibit B: Company Size: Annual Revenue
(Percentage Distribution of Organizations)

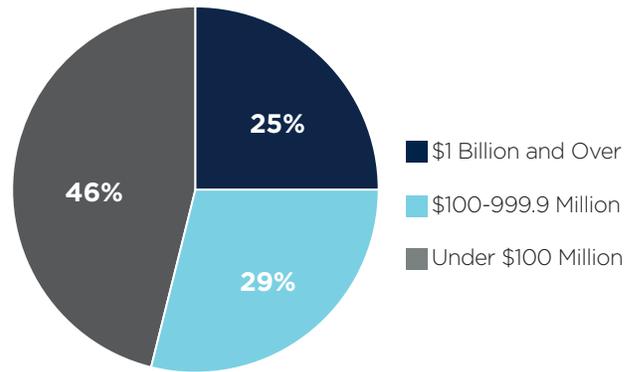


Exhibit C: Company Region
(Percentage Distribution of Organizations)

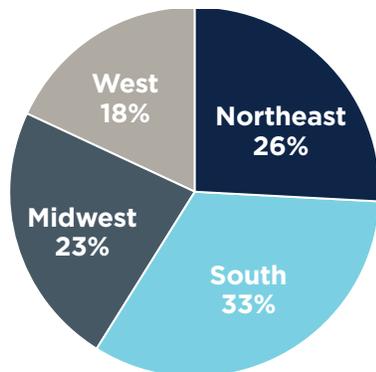
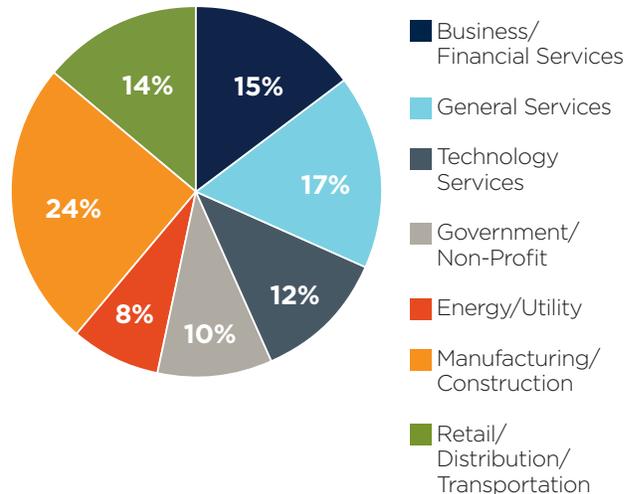


Exhibit D: Industry
(Percentage Distribution of Organizations)



Appendix A: Definitions

Annual Base Salary

Defined as regularly received, direct compensation for all full-time employees. Refers to base salary as of January 1, 2017.

Bonus

Refers to cash bonuses, retention bonuses and the value of incentive stock options received between January 1, 2016 and December 31, 2016.

Mean

Average score derived by adding all items and dividing the total by the number of items.

Median

The middle value; half of the scores are above this point and half are below.

Percentile

25th Percentile: 25 percent of salaries are at or below this salary.

50th Percentile: represents the median salary.

75th Percentile: 75 percent of salaries are at or below this salary.

Total Compensation

May include cash compensation in addition to base salary and bonuses but does not include the cash value of benefits. Total compensation is that reported as of December 31, 2016.

Industries

Business/Financial Services

- Business Services
- Financial Services
- Banking
- Consulting

Energy/Utility

- Energy
- Petroleum
- Utility

General Services

- Health Services
- Insurance
- Travel
- Hospitality
- Real Estate

Government/Non-Profit

- Colleges/Universities
- Government
- Non-Profit

Manufacturing/Construction

- Manufacturing
- Construction
- Agriculture/Forestry

Retail/Distribution/Transportation

- Retail
- Wholesale/Distribution
- Transportation

Technology Services

- Communications/Media
- Software
- Technology

Geographic Regions

The regional boundaries are those as defined by the U.S. Census Bureau. Participating companies are grouped geographically, based on where they are located.

Northeast

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Middle Atlantic: New Jersey, New York, Pennsylvania

South

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

East South Central: Alabama, Kentucky, Mississippi, Tennessee

West South Central: Arkansas, Louisiana, Oklahoma, Texas

Midwest

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin

West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

West

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

Pacific: Alaska, California, Hawaii, Oregon, Washington

Job Title Classifications

The 20 job titles included in the survey have been condensed into three main job categories (tiers) for purposes of analysis.

Executive

CFO
Vice President, Finance
Treasurer
Controller/Comptroller

Staff

Senior Accountant
Accountant II
Accountant I
FP&A Analyst

Management

Director Treasury/Finance
Director Risk Management
FP&A Director
Senior FP&A Analyst
Assistant Treasurer
Assistant Controller
Manager Treasury/Finance
FP&A Manager
Accounting Manager
Cash Manager
Financial Reporting Specialist
Assistant Cash Manager

Appendix B: Guide for Usage and Understanding

The following is an introduction and guide to help finance professionals navigate and understand the job descriptions and compensation data collected for the 20 positions tracked in the survey.

AFP Job Description and Base Salary, Bonus and Total Compensation

Each job title includes the position description followed by two tables of compensation data (Exhibit 24). The first table shows compensation data based on number of employees, organization gross (annual) revenue, employees' years of work experience and education. The second table shows compensation data by geographic region and industry. Base Salary, Bonus and Total Compensation are broken out in quartiles with means provided. The demographic variables are presented in the columns of each table.

Refer to Incumbent Numbers in Interpreting Results for Specific Job Titles

The profile of survey respondents generally reflects the AFP membership itself. It also reflects those professionals who are most forthcoming in sharing compensation data for the benefit of their peers and the profession. While the number of responses provided across job titles are consistent with norms in benchmarking, sampling bias and non-response bias can affect the results. One way to recognize this is to consider the counts of the number of incumbents when viewing results – as this can help to clarify the direction of any skew in the data.

Detailed salary data for the 20 titles and job descriptions covered in this appendix are accessible only to AFP members and survey participants.

Exhibit 24: Example Compensation Table

	Total	Education			Years of Experience			Gross Revenue			Number of Employees		
		HS/Assoc.	Bach.	MBA or Graduate Degree	< 5	5 to 10	>10	<\$100 M	\$100 M to \$999.9 M	≥ \$1 B	< 250	250 to 999	≥ 1000
Base Salary '17													
# of Incumbents	509	1**	216	290	186	96	225	334	144	28	277	127	69
Mean	\$217,418	\$125,000	\$209,661	\$223,206	\$211,133	\$223,501	\$220,154	\$179,685	\$266,896	\$414,796	\$183,129	\$230,281	\$325,298
25th Percentile	\$150,500	\$125,000	\$151,125	\$150,750	\$150,000	\$146,250	\$160,000	\$144,800	\$197,375	\$302,750	\$143,425	\$160,000	\$232,500
50th Percentile	\$195,000	\$125,000	\$190,000	\$200,000	\$190,000	\$195,000	\$200,000	\$174,500	\$253,000	\$368,125	\$175,000	\$212,500	\$300,000
75th Percentile	\$255,000	\$125,000	\$250,000	\$264,325	\$250,000	\$255,000	\$265,000	\$208,000	\$325,000	\$494,258	\$208,000	\$282,000	\$359,500
Bonus '16													
# of Incumbents	338	*	139	199	120	71	147	197	120	21	165	93	55
Mean	\$89,618	\$83,604	\$83,604	\$93,818	\$72,809	\$117,366	\$89,937	\$46,035	\$121,322	\$317,295	\$46,377	\$104,140	\$189,840
25th Percentile	\$19,750	\$18,500	\$20,000	\$20,000	\$15,000	\$18,000	\$25,000	\$15,000	\$36,250	\$140,500	\$15,000	\$20,000	\$60,000
50th Percentile	\$44,000	\$42,000	\$47,000	\$47,000	\$30,000	\$68,238	\$50,000	\$25,000	\$80,000	\$250,000	\$28,000	\$60,000	\$120,000
75th Percentile	\$100,000	\$86,000	\$110,000	\$110,000	\$82,250	\$125,000	\$100,000	\$53,628	\$148,750	\$450,705	\$57,500	\$112,750	\$246,000
Total Comp '16													
# of Incumbents	497	1**	210	283	181	96	218	323	143	29	268	123	70
Mean	\$274,970	\$115,000	\$255,272	\$290,834	\$252,430	\$303,377	\$282,405	\$207,166	\$359,827	\$614,969	\$212,525	\$303,106	\$458,737
25th Percentile	\$160,000	\$115,000	\$155,000	\$165,000	\$155,000	\$150,625	\$166,500	\$145,000	\$220,000	\$322,500	\$146,500	\$170,000	\$263,261
50th Percentile	\$220,000	\$115,000	\$208,000	\$225,000	\$202,000	\$218,000	\$237,875	\$185,000	\$325,000	\$500,000	\$188,100	\$264,000	\$378,500
75th Percentile	\$325,000	\$115,000	\$297,750	\$335,000	\$300,000	\$350,000	\$325,000	\$246,000	\$425,000	\$857,500	\$249,683	\$350,000	\$512,500

	Total	Geographic Region				Industry						
		Northeast	South	Midwest	West	Business/ Financial Services	Energy/ Utility	General Services	Government/ Non-Profit	Manufacturing/ Construction	Retail/ Distribution/ Transportation	Technology Services
Base Salary '17												
# of Incumbents	509	146	165	108	88	67	23	77	62	130	69	54
Mean	\$217,418	\$229,777	\$206,705	\$210,847	\$225,152	\$218,527	\$234,128	\$212,148	\$183,737	\$225,291	\$231,722	\$215,983
25th Percentile	\$150,500	\$163,425	\$150,000	\$146,250	\$159,700	\$160,000	\$140,000	\$146,250	\$130,250	\$150,000	\$159,500	\$169,825
50th Percentile	\$195,000	\$205,750	\$182,500	\$181,500	\$197,500	\$200,000	\$216,000	\$180,000	\$175,000	\$200,000	\$200,000	\$197,500
75th Percentile	\$255,000	\$261,250	\$250,000	\$250,000	\$265,000	\$250,000	\$315,000	\$245,000	\$217,500	\$271,250	\$285,000	\$252,500
Bonus '16												
# of Incumbents	338	108	99	73	57	46	14	48	29	100	49	33
Mean	\$89,618	\$104,328	\$58,240	\$102,554	\$97,862	\$121,414	\$98,607	\$104,413	\$28,505	\$93,026	\$84,539	\$64,148
25th Percentile	\$19,750	\$20,000	\$15,000	\$17,000	\$21,066	\$22,500	\$18,750	\$19,250	\$6,777	\$20,533	\$16,500	\$20,688
50th Percentile	\$44,000	\$52,500	\$36,000	\$40,000	\$60,000	\$72,500	\$64,500	\$36,000	\$18,000	\$51,128	\$40,000	\$50,000
75th Percentile	\$100,000	\$103,643	\$75,000	\$115,000	\$114,500	\$113,750	\$163,500	\$78,000	\$37,000	\$114,500	\$127,500	\$105,000
Total Comp '16												
# of Incumbents	497	144	161	103	87	67	21	75	62	125	68	52
Mean	\$274,970	\$301,439	\$235,139	\$300,191	\$274,299	\$298,309	\$310,086	\$271,064	\$194,574	\$309,335	\$279,602	\$243,061
25th Percentile	\$160,000	\$172,287	\$155,000	\$150,000	\$155,000	\$162,000	\$148,000	\$150,000	\$120,000	\$175,000	\$158,250	\$167,750
50th Percentile	\$220,000	\$235,375	\$200,000	\$210,000	\$230,000	\$230,000	\$245,000	\$207,500	\$175,000	\$244,100	\$225,000	\$204,000
75th Percentile	\$325,000	\$350,000	\$300,000	\$320,450	\$325,000	\$325,000	\$467,500	\$300,000	\$245,250	\$345,000	\$343,404	\$303,000

*Insufficient data to report

**Use caution when interpreting cells with small sample sizes



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