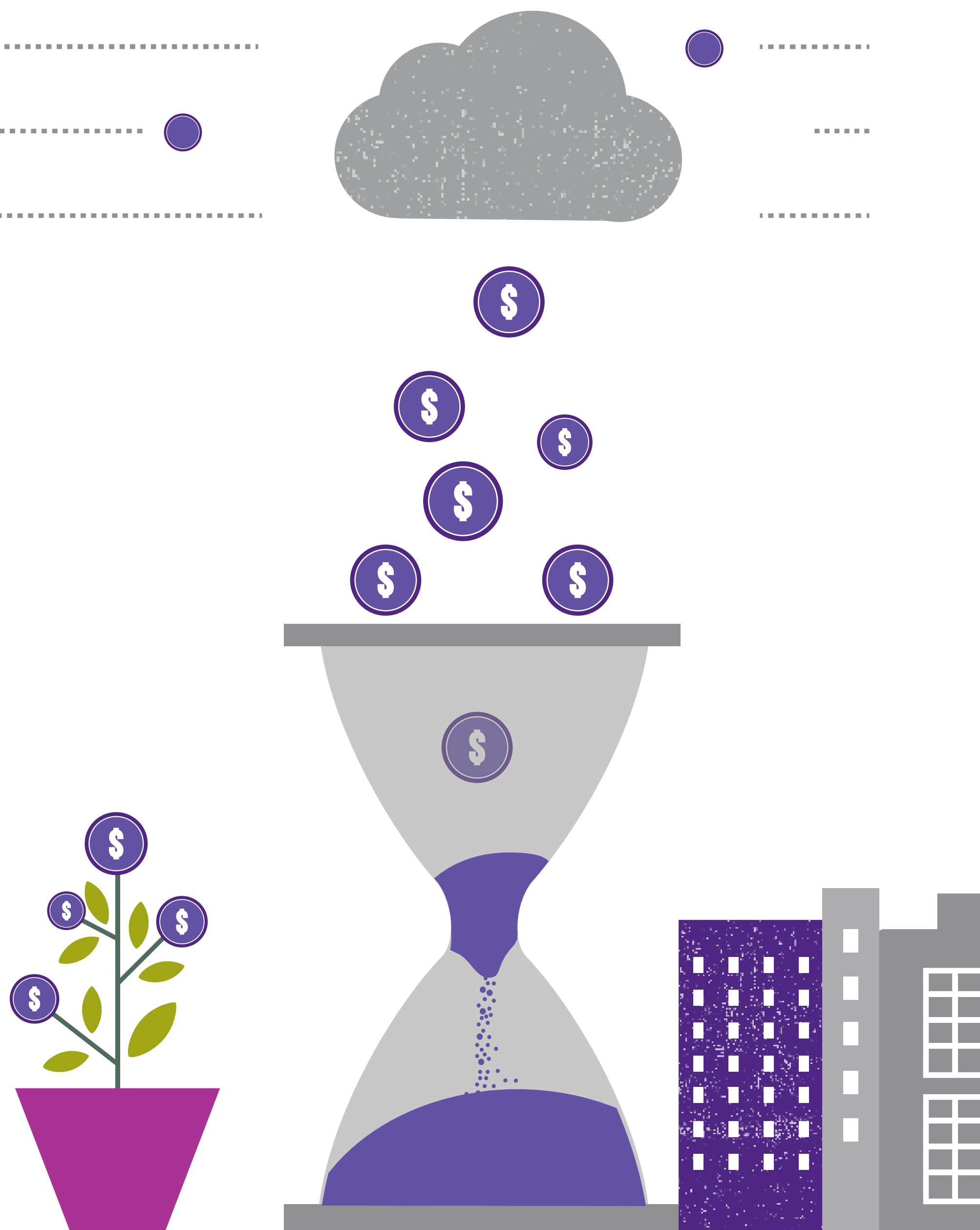
Grant Thornton

Financial Executive Compensation Report 2017

Tom Thompson, Dave Pelland, Ken Cameron and Ken Troy



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Introduction

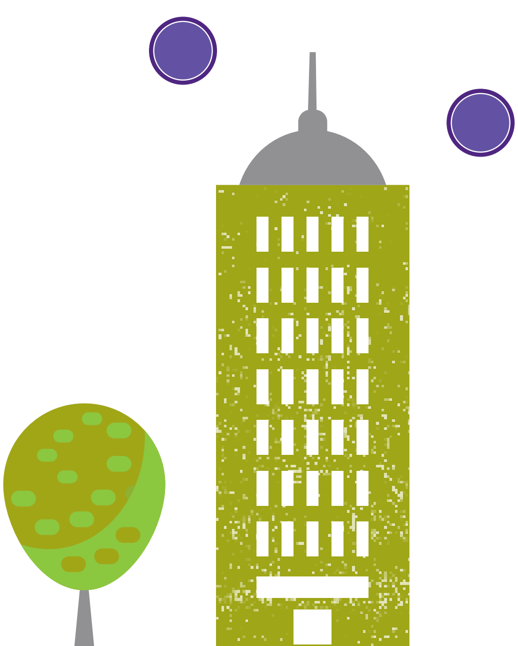
Senior-level financial executives at public and private companies alike reported consistent trends in the levels and sources of their compensation in 2016, with average salary increases of 4.1% (compared with 4.0% in last year's findings).

To better understand trends in compensation, incentives, perquisites and related topics, Financial Executives Research Foundation (FERF) teamed with Grant Thornton LLP on the *Financial Executive Compensation Report 2017*.

Based on survey responses from 377 members of Financial Executives International (FEI), the report examines self-reported salaries, staffing levels, variable pay, benefits and other key compensation-related benchmarks.

This year's report also includes a Q&A with co-authors Ken Cameron and Ken Troy, directors in Grant Thornton's Human Capital Services practice, about growing recognition of the relationship between compensation programs and organizational risk.

As several high-profile examples illustrate, improper alignment of compensation program design or governance can increase an organization's financial, operational, regulatory and reputational risks.



Aligning risk and compensation: A Q&A with Grant Thornton's Ken Cameron and Ken Troy

Whether it is misaligned incentives prompting inappropriate behavior that exposes a company to financial risk, regulatory concerns or negative publicity, an organization's compensation program design or management can have significant effects on its risk profile.

But despite the potential exposures, many enterprise risk management programs don't address compensation risks adequately. In this year's findings, only 55% of respondents (see page 5) are satisfied that their organization's incentive programs reflect risk considerations appropriately. In addition, nearly two-thirds (61%) say their risk management or finance function has not undertaken a comprehensive risk-focused review of their compensation programs.

To better understand the relationship between compensation and risk, FERF spoke with Ken Cameron, a director in Grant Thornton's Human Capital Services practice and compensation leader at Grant Thornton, and Ken Troy, a director in Grant Thornton's Human Capital Services and compensation leader for the West region. An edited transcript follows.

FERF: When we look at the study, what prompted the addition of the risk-related questions?

Ken Cameron: We're seeing a significant increase in focus on the topic of risk from a broad set of internal and external constituencies, and we're also seeing regulatory organizations that want to know if any of your organization's compensation plans or practices might create risk-taking incentives that are reasonably likely to have a material adverse effect on the organization.

Aside from those formal organizations, I would say the general public also has been introduced to this topic through some high-profile stories presented by the media, and, of course, this activity has also led to an increase in strategies by management and the board to address risk.

Ken Troy: We find public companies have had to do these assessments for a while, and now we are seeing private companies jumping on as well. The area where there's a great deal of focus is on the alignment of incentives. That might be cross-functional. It might be top to bottom. It might be that the organization is working toward competing or conflicting objectives. Possibly the incentives are out of alignment with shareholders. An example could be too much emphasis on top-line growth, which can cause a strain on capital or resources, and that creates risk for an organization. We're finding that is a key area of focus for companies as they look at their risk.

FERF: Are there other common ways that compensation practices affect risk, or vice versa?

Troy: Absolutely. There are financial risks if incentives get out of control. There are competing alignment issues. There are reputational issues that result from exposure of poor incentives or poor pay practices.

There are a lot of areas that can go wrong when the pay is misaligned or if the company's not doing a good job with its governance. If they are prone to making poor decisions or the decisions are not controlled, that can affect the way that organization is viewed by its shareholders or by the public.

FERF: As companies evaluate their risk portfolio, is this an exposure they're typically considering?

Cameron: There is a push from the regulatory bodies, but I think organizations are smart enough to know that risk comes in a number of different forms. If you look at what happened as a result of the meltdown in the financial sector a while back, that really brought to light a lot of the ways compensation can specifically cause some problems in the area of risk. While organizations may have been aware of it, I think it's really come to a heightened sense.

Troy: Executives tend to do what they're incentivized to do. An incentive plan is a communication from the organization about the behaviors they're expected to undertake. If they're out of alignment with strategy or with common practice, you get bad behaviors that can lead to risk issues.

Cameron: We've got a saying in the comp business: "The best thing about incentive plans is that they drive behavior to address specific metrics, and the worst thing about incentive plans is that they drive behavior to address specific metrics."

FERF: As you're seeing awareness increase, are we seeing a similar change in how companies are trying to mitigate these exposures?

Cameron: As with any process, it tends to mature over time as more organizations become a little bit savvier and more things are written about it, more formalized policies and procedures and such. I think overall there's a common approach to this, and I think we can look at it from, say, a design, oversight and controls and compliance perspective.

Let's start from a design perspective. Really, what organizations are trying to do is better align compensation program design specifically in the areas of incentives. That's what we've been talking about, and we're talking about short-term annual incentives as well as long-term incentive design, which are usually over multiple years. We want to make sure that's balanced appropriately with a risk profile and this appetite for risk.

Because you're not just going to get rid of incentives, right? They play a really important part in the overall reward structure in ensuring you can attract, retain and engage the right talent for an organization's success. You want to have a solid and appropriate balance between fixed and variable pay, so basically between base salaries and incentives, and the right balance also between short- and long-term incentives. You don't want to have too much on the annual or too much on a long-term, because that balance, if it's not appropriate, can cause some issues on long- and short-term focus. You also want to make sure that you're also balancing the level of the goals between corporate and business unit performance.

Other things get into more of the technical side of incentive design, but you want to be cautious of plan design features that could lead to excessive risk, such as having no caps. If a particular incentive plan has no maximum or cap to it — that could certainly drive behavior that might be unintended or inappropriate — or incentive plan designs that have a really steep payout. That can drive poor behavior as well. You want to make sure, of course, that the plan goals and metrics are risk-balanced by using the correct types of performance factors and making sure they're attainable. If those goals are not attainable through normal behavior, that can drive folks to do some things that would not be good for the organization.

That's it from a design perspective. If we talk about governance, that's going to start at the top with the compensation committee. You want to make sure that's part of their charter and part of what that committee is driven to do as part of their normal operating procedure of leading the board in compensation. You want to make sure you've got internal control protocols with defined policies and procedures to help mitigate the excessive risk-taking, and what we also talked about before is the increasing demands for disclosure, analysis, and documentation from external regulators and stakeholders. I think, again, if you balance those issues of design, oversight controls and compliance, an organization can be successful in addressing these issues, and this is what we're seeing more and more companies do.

Troy: We're also finding that companies are looking at clawback policies as a way to communicate to executives that taking undue risks will have consequences to incentive payments as a result of wrong actions, and that the impact on incentives as a result of a restatement of the financials, will have to be paid back. There's a shared responsibility in a lot of these plans, where the clawbacks are designed so that it's not just the person responsible for the actions, but that all participants in that plan may have to pay back incentives. That sets a tone and creates accountability for their actions, which is a really important part of this risk process as well.

This is an area where companies have been a little bit cautious because the SEC policy on clawbacks has been pending since 2015. Some companies have gone ahead and put in some fairly broad and modest policies around clawbacks. Others have taken a more aggressive stance on them. While some companies are taking a wait-and-see attitude to see what is finally approved by the SEC.

FERF: What role does a company's culture play in this discussion?

Cameron: That's a great question. Culture absolutely plays a significant role in the topic of risk. Usually, from a best-practice perspective, an organization's level of risk culture would be defined in their vision, values and strategy, and then informally through the day-to-day behaviors of individuals, whether it be the board or senior leadership down through the organization, and that can reinforce risk in a positive or negative manner. As the saying goes, "Culture eats strategy for lunch." It's an absolutely significant player in this whole process.

The other thing that's important to understand is that risk is just one element of culture, and it should never be viewed as an independent factor that you could just treat and address in isolation. It's not like you have a cut and we're going to put a Band-Aid on this one issue. You have to think of it from a holistic perspective of how it plays across the other culture elements as well. Let's not forget that employees are pretty smart and observant, and they do pay strong attention to how organization management reacts to inappropriate behavior. An organization that doesn't walk the walk of eliminating bad behavior, and when it doesn't align with their company values, they're actually reinforcing the wrong expectation from a culture perspective that could ultimately harm the organization.

FERF: Who within an organization is usually overseeing this aspect of risk management?

Cameron: Senior management, of course, because the tone starts at the top. We're seeing, more often, folks with titles like head of culture, and obviously you're going to have individuals that are going to be risk management officers and such, but really it starts at the top of the organization, with not only role-specific but all of the leaders, and because, obviously, risk, like any other culture element, is fundamental to successful business operations. It affects everyone in the organization, not just those individuals or roles that are directly involved in the risk function. If the board and senior management highlight risk as a priority and follow up with consistent action, then the rest of the organization will have a strong reference point to follow.

Detailed findings

According to the *Financial Executive Compensation Report 2017*, public and private company senior-level financial executives reported consistency in their average salary increase of 4.1%, up slightly from 4.0% in 2016.

The findings also show consistency among public and private company respondents. Public company financial leaders reported an increase of 3.5%, a slight decrease from 3.7% a year ago, while private companies saw a 4.3% increase in 2017, from 4.1% in 2016. These numbers continue to trend higher than overall 3% salary increases in the marketplace.

The charts that follow summarize the average base salaries by title for public and private companies and average annual salary increases.

A snapshot of public and private company average base salaries

Title	Public	Private
Corporate chief financial officer (CFO)	$303,850	$217,171
Corporate controller	$236,756	$134,853
Vice president (VP) finance	$191,988	$167,921
Director (of finance, accounting, etc.)	$194,700	$133,859
Chief accounting officer	$342,154	n/a
Divisional/Geographic/Regional CFO	$196,969	$168,333

Average annual salary increase for all titles

Most-recent increase	2017	2016	2015	2014
Did not receive increase	31.5%	26.5%	24.2%	28.9%
1%	0.8%	1.2%	1.8%	1.5%
2%	14.4%	8.4%	9.4%	10.8%
3%	34.6%	27.6%	21.2%	24.5%
4%	8.6%	7.8%	11.8%	6.4%
5%	12.8%	9.0%	7.9%	9.0%
6%	4.3%	2.9%	2.7%	2.3%
7%	2.7%	2.6%	3.6%	2.6%
8%	2.7%	1.7%	1.8%	3.6%
9%	1.2%	1.5%	0.6%	0.5%
10%	5.8%	3.5%	4.8%	3.4%
More than 10%	12.1%	7.3%	10.0%	6.4%
Average	4.1%	4.0%	4.3%	3.4%

Sign-on and retention bonuses

To attract and retain top talent, 33% of respondent companies offer sign-on bonuses, with the most common offering a cash bonus (40%), followed by a combination of cash and restricted stock or options (36%).

Meanwhile, 31% of companies reported they are targeting bonuses specifically for retention purposes.

Use of variable pay

More than half (61%) of all respondent companies indicated they have a target bonus opportunity. For the 86% of public companies that have a target level bonus, the average was 45% and the median level was 40%. Of the 57% of private companies that have a target level bonus, the average was 35% while the median was 30%.

Benefits

Most (85%) respondent companies have a defined contribution plan. Additionally, 26% of companies still offer a defined benefit plan; however, more than half (54%) of those companies restrict new entrants or have frozen benefit accruals.

Meanwhile, 28% of respondents reported they are eligible to receive additional retirement benefits in addition to the defined benefit/contribution plans. Within this group, one-third received nonqualified voluntary deferred compensation, while 26% received profit sharing.

Number of accounting and finance staff and FTEs

Public

	Defined benefit plan		Defined contribution plan	
	Yes	No	Yes	No
Under 250	38%	62%	90%	10%
250 or more	52%	48%	98%	2%

Number of accounting and finance staff and FTEs

Private

	Defined benefit plan		Defined contribution plan	
	Yes	No	Yes	No
Under 250	15%	85%	81%	19%
250 or more	20%	80%	85%	15%

Who makes executive compensation decisions?

Good governance is key to effective executive compensation programs, with the compensation committee playing a critical role in the design and decision-making process. Forty-four percent of respondent companies indicated that their board of directors makes pay decisions for all senior executives. Meanwhile, more than one-third (39%) of companies reported that the CEO/management makes all pay decisions.

Responsible for making executive compensation decisions

	Public	Private
CEO/Management makes all pay decisions	23%	46%
Board of directors makes pay decision for CEO only	18%	18%
Board of directors makes pay decisions for all senior executives	59%	36%

Risk and governance

Despite the potential implications of compensation programs on organizational risk, only just over half (55%) of financial executives are satisfied their organization's incentive programs reflect risk considerations fully and appropriately.

Incentive programs fully reflect risk

Very satisfied	18%
Somewhat satisfied	37%
Neither satisfied nor dissatisfied	23%
Somewhat dissatisfied	17%
Very dissatisfied	5%

The majority (61%) of respondents say their risk management or finance function has not undertaken a comprehensive review of incentive programs from a risk perspective.

However, the majority (67%) also believe their organization maintains an understanding of risk at all levels to ensure senior individuals are held accountable for defined business activities and material risks.

Fully accountable for defined business activities and material risks

Strongly agree	17%
Agree	50%
Neither agree nor disagree	22%
Disagree	9%
Strongly disagree	3%

Most (84%) respondent companies do not have a clawback provision on bonuses and/or stock or stock options. For those organizations with a clawback provision, fraudulent activity (31%) is the most indicated trigger for repayment.

Meanwhile, more than half (59%) of executives say their board of directors possesses the right levels of experience to make a credible challenge of management that incentives for executives and other incentive-eligible employees are sensitive to risk considerations.

Perquisites

For those financial executives who reported receiving one or more perquisites, the most popular continues to be cellphone, cellphone allowance or cellphone reimbursement (90%).

Long-term incentives

Long-term incentives that deliver compensation through cash and/or company stock are another important part of financial executives' compensation plan design.

- **Cash incentives** — Eligibility for receiving long-term cash incentives increased slightly this year to 23%, from 22% in 2016.
- **Stock incentives** — A majority (86%) of public company respondents receive some form of stock-based incentive compensation, while less than one half (41%) of private company respondents receive some form of stock-based incentive compensation. Additionally, 11% of those who received stock options sometime in the past 3 years say their grants have been eliminated or reduced, and replaced with restricted stock.
- Payout packages — The most common measures for determining payouts for those executives who are eligible for long-term incentives (cash, stock-based or other) and whose awards have a performance or market condition for vesting, were company strategic goals/objectives (17%), followed by more-specific company financial performance measures such as EBITDA, with 13%.

Benefits and perquisites — All responses

Cellphone, cellphone allowance, cellphone reimbursement	90%
Company car or car allowance	22%
Paid parking	20%
Health/fitness club	17%
Executive physicals	14%
Relocation assistance	13%
Airline club membership	12%
Commuting expenses	11%
Personal financial or tax advice	9%
Other	7%
Auto/car insurance	6%
Country club membership	3%
Personal use of property owned or leased by the company	2%
Dining club membership	1%
Housing and other living expenses	1%

**Respondents could choose all that apply.*

Stock-based long-term incentives

	Public		Private	
	2017	**2016**	**2017**	**2016**
I am not eligible to receive this type of long-term incentive	13%	11%	59%	65%
Stock options	20%	27%	20%	17%
Restricted stock/restricted stock units (RSUs)	47%	47%	6%	8%
Performance shares	19%	13%	6%	6%
Other	1%	3%	8%	5%

Performance measures

The following chart shows the performance measures used to determine the long-term incentive compensation (cash, stock-based, other) for public and private company respondents.

Performance measures

	Public		Private	
	2017	**2016**	**2017**	**2016**
Cash flow	8%	10%	7%	12%
Company goals/objectives	17%	38%	15%	37%
Department goals/objectives	6%	10%	4%	8%
Earnings per share (EPS) growth	5%	28%	1%	1%
EBIT	9%	14%	6%	12%
EBITDA	9%	10%	18%	39%
Economic value added (EVA)	0%	2%	4%	5%
Individual goals/objectives	5%	10%	8%	5%
Net income	3%	16%	8%	8%
Performance against companies within a peer group	2%	8%	1%	3%
Relative total shareholder return (TSR) — share price/stock price of peer company's stock	9%	20%	0%	1%
Return on assets	1%	6%	1%	5%
Return on capital	6%	12%	1%	5%
Return on equity	4%	10%	9%	5%
Revenue growth	6%	12%	5%	7%
Share/stock price	4%	10%	4%	12%
Other	6%	10%	8%	9%

**Respondents could choose all that apply.*

Employment contracts

Slightly more than half of respondents (53%) say they are not covered by an employment contract. For those who are, three-quarters (75%) report severance – unrelated to a change-in-control – as a key element of their contract, and just over two-thirds (67%) report that change-in-control severance is a key element of their contract.

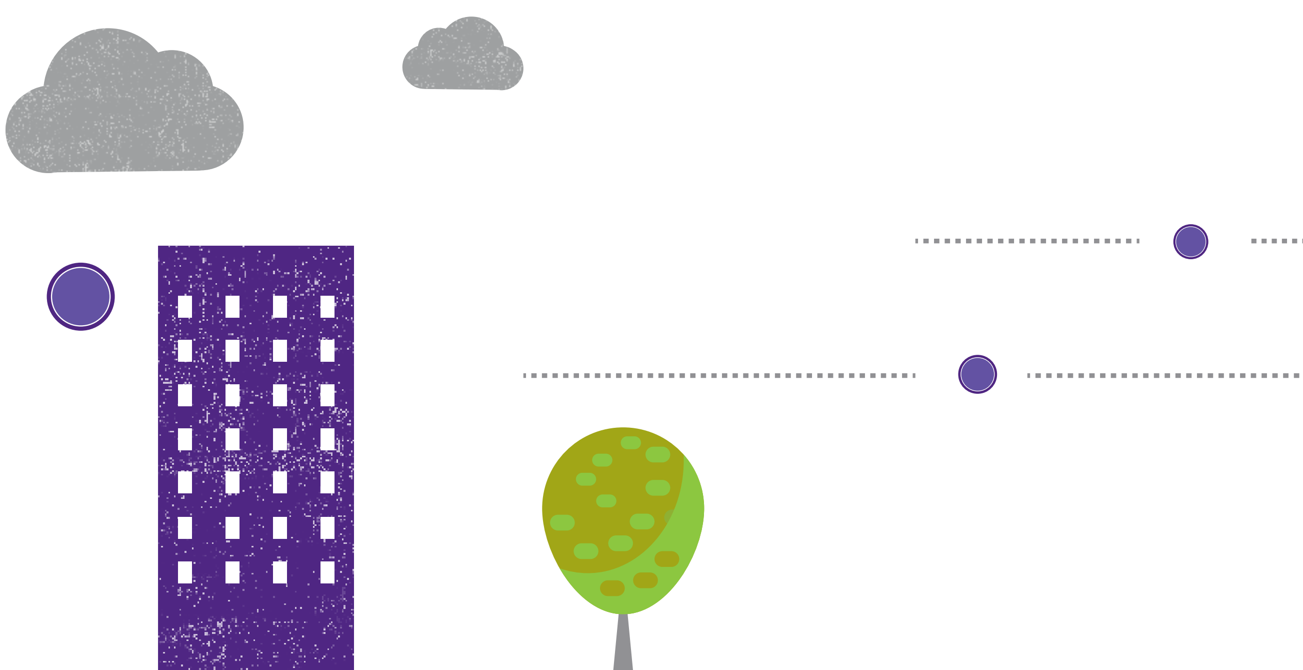
Employment contracts — All responses

Severance — not change-in-control, number of months' salary	75%
Change-in-control severance, number of months' salary continuation	67%
Minimum or guaranteed level of compensation	15%
Housing and other living expenses	3%
Tax gross-ups or other reimbursement of taxes owed with respect to compensation and benefits	3%
Guaranteed level of annual bonus	3%

**Respondents could choose all that apply.*

Public vs. private company responses

This year's survey included responses from public (100 respondents) and private (235 respondents) companies. Please see the chart under Survey methodology and demographics for breakdowns by company type. We separate public and private company responses to discourage direct comparisons of respondent data due to variations such as the larger size and revenue of the public respondents, and the higher number of private company respondents.



A portrait of the top financial jobs

The following represents a snapshot of the top three financial executive roles — CFO, corporate controller and VP of finance — for public and private companies.

The job duties for the positions described in this report were provided by Robert Half.

Portrait of a CFO

Typical duties may include:

- Providing strategic management of the accounting and finance functions
- Directing accounting policies, procedures and internal controls
- Recommending improvements to ensure the integrity of a company's financial information
- Managing or overseeing the relationship with independent auditors
- Collaborating with CIOs on technology decisions
- Overseeing financial systems implementations and upgrades
- Managing relationships with investors and investment institutions
- Identifying and managing business risks and insurance requirements

Portrait of a CFO

	Public	Private
Median base salary	$300,000	$200,000
Median annual bonus	$99,000	$42,000
Median total compensation, including salary, bonus, long-term compensation and value of all benefits	$513,000	$285,000
Eligible to receive cash-based long-term incentives	22%	23%
Eligible stock-based long-term incentives	89%	46%
Employment contracts prevalence	88%	47%
Most popular CFO contract provision is change-in-control severance, based on number of months	46%	41%
Eligible to participate in a defined benefit plan	30%	14%
Has a master's degree	48%	53%
Years in current position	6	7
Female	22%	19%
Male	78%	81%

CFO salary and total compensation statistics

Base salary by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	93	8	75	55	11	38	9	4	3
Average	$190,172	$255,194	$186,620	$275,772	$307,000	$269,499	$359,667	$392,500	$328,333
25th percentile	$149,000	$207,500	$148,875	$211,250	$262,500	$207,301	$290,000	n/a	n/a
Median	$189,000	$247,875	$185,000	$260,000	$305,000	$247,500	$357,000	n/a	n/a
75th percentile	$220,000	$281,250	$211,775	$310,063	$360,000	$300,000	$450,000	n/a	n/a

Total compensation by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	93	7	75	54	11	38	9	4	3
Average	$415,518	$677,569	$406,784	$667,982	$918,282	$648,244	$1,327,961	$1,822,277	$1,253,000
25th percentile	$180,000	$286,750	$181,882	$294,750	$418,711	$295,080	$384,000	n/a	n/a
Median	$245,000	$358,750	$244,000	$406,500	$673,404	$406,500	$454,790	n/a	n/a
75th percentile	$392,759	$535,563	$344,000	$738,351	$1,125,000	$632,500	$2,175,000	n/a	n/a

Portrait of a corporate controller

Typical duties may include:

- Planning, directing and coordinating all accounting operational functions
- Managing the accumulation and consolidation of financial data necessary for an accurate accounting of consolidated business results
- Coordinating and preparing internal and external financial statements
- Coordinating activities of external auditors
- Providing management with information vital to the decision-making process
- Managing the budget process
- Assessing current accounting operations, offering recommendations for improvement and implementing new processes
- Evaluating accounting and internal control systems
- Evaluating the effectiveness of accounting software and supporting database, as needed
- Developing and monitoring business performance metrics
- Overseeing regulatory reporting, frequently including tax planning and compliance
- Hiring, training and retaining competent accounting staff

Portrait of a corporate controller

	Public	Private
Median base salary	$225,000	$136,500
Median annual bonus	$73,000	$15,575
Median total compensation, including salary, bonus, long-term compensation and value of all benefits	$394,000	$162,000
Eligible to receive cash-based long-term incentives	63%	10%
Eligible stock-based long-term incentives	85%	33%
Employment contracts prevalence	50%	10%
Most popular corporate controller contract provision is change-in-control severance, based on number of months	40%	67%
Eligible to participate in a defined benefit plan	63%	13%
Has a master's degree	56%	57%
Years in current position	4	5
Female	33%	30%
Male	67%	70%

Corporate controller salary and total compensation statistics

Base salary by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	21	2	18	15	2	10	7	5	2
Average	$125,100	n/a	$122,283	$163,740	n/a	$144,150	$244,743	$262,040	n/a
25th percentile	$100,000	n/a	$98,500	$139,000	n/a	$132,000	$224,000	$225,000	n/a
Median	$118,000	n/a	$118,000	$156,000	n/a	$140,000	$240,000	$240,000	n/a
75th percentile	$140,000	n/a	$140,000	$183,000	n/a	$160,000	$263,000	$262,200	n/a

Total compensation by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	21	2	18	15	2	10	7	5	2
Average	$181,448	n/a	$175,718	$227,355	n/a	$192,787	$418,716	$463,418	n/a
25th percentile	$119,000	n/a	$119,250	$155,750	n/a	$148,625	$295,800	$325,000	n/a
Median	$145,500	n/a	$142,008	$186,000	n/a	$175,500	$368,292	$368,292	n/a
75th percentile	$207,000	n/a	$205,250	$202,500	n/a	$197,554	$470,059	$485,200	n/a

Portrait of a VP of finance

Typical duties may include:

- Ensuring compliance with state and federal regulations
- Establishing and maintaining sound relationships with financial institutions, including commercial and investment banks
- Making recommendations to optimize investments of financial capital
- Coordinating and managing the annual budget process
- Communicating the company's actual performance versus budgets and objectives to senior management
- Recommending growth strategies, as well as identifying areas for improvement
- Collaborating with leaders of other departments to prepare for critical business opportunities
- Hiring, training and retaining competent finance staff

Portrait of a VP of finance

	Public	Private
Median base salary	$179,950	$170,000
Median annual bonus	$55,800	$30,625
Median total compensation, including salary, bonus, long-term compensation and value of all benefits	$348,750	$240,000
Eligible to receive cash-based long-term incentives	43%	11%
Eligible stock-based long-term incentives	80%	37%
Employment contracts prevalence	70%	24%
Most popular VP of finance contract provision is change-in-control severance, based on number of months	43%	40%
Eligible to participate in a defined benefit plan	43%	11%
Has a master's degree	63%	47%
Years in current position	6	5
Female	50%	32%
Male	50%	68%

VP of finance salary and total compensation statistics

Base salary by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	18	1	12	8	2	6	6	5	1
Average	$160,483	n/a	$159,318	$172,238	n/a	$177,571	$210,667	$250,000	n/a
25th percentile	$125,000	n/a	$125,000	$142,500	n/a	$162,500	$176,250	$237,500	n/a
Median	$142,950	n/a	$132,500	$189,950	n/a	$200,000	$210,000	$250,000	n/a
75th percentile	$200,000	n/a	$185,500	$201,500	n/a	$203,000	$230,250	$262,500	n/a

Total compensation by revenue range

	Less than $100 million			$100 million–$999 million			$1 billion and over		
	All	Public	Private	All	Public	Private	All	Public	Private
Number of responses	18	1	12	8	2	6	6	5	1
Average	$228,057	n/a	$234,166	$344,438	n/a	$366,857	$377,478	$475,000	n/a
25th percentile	$144,850	n/a	$172,691	$165,250	n/a	$208,500	$299,750	$452,500	n/a
Median	$185,125	n/a	$186,250	$276,500	n/a	$306,000	$383,244	$475,000	n/a
75th percentile	$262,500	n/a	$255,000	$354,875	n/a	$356,500	$426,622	$497,500	n/a

Applying survey results

When applying this market data to your organization, take a close look at the type of organization (public vs. private), the revenue scope, and the role/responsibility and experience of the individual. All of these factors play a key role in determining whether or not your organization is paying at competitive levels. It is also important to note that individual and organization performance will have an impact on compensation levels. Organizations experiencing a downturn in performance (and, in turn, lower bonus payments) are at greatest risk of losing their top talent in a strong market.

Survey methodology and demographics

The data used to compile this research report was collected from responses received from an electronic survey of active FEI members during November and December 2016. The 37-question survey garnered 377 total responses. Note that totals throughout the report may vary, because not every respondent answered every question.

While responses from public companies increased to 27% from 25% in 2016, responses from private companies dipped from 67% in 2016 to 62% this year. The average revenue size for all companies was $4.09 billion, while the median revenue size was $85 million.

Consistent with the previous eight years, the most heavily represented industry was manufacturing (24%). Similar to the past seven years, the most responses came from members employed by companies with corporate headquarters in either Texas (14%) or California (10%).

The majority of respondents (51%) reported a master's degree as the highest level of education completed. In addition, nearly three-quarters of respondents (72%) were male. Same as last year, the average length of time surveyed executives have held his or her current position was six years.

It's important to note the survey was completed by senior financial executives rather than by HR or executive search firm executives, and does not represent an empirical compensation analysis. Rather, the survey reflects the views and self-reported figures of FEI members actually working in the jobs described.

Number of responses by company type

Titles	Public	Private	Nonprofit	Government	Total	Percent
Corporate chief financial officer (CFO)	24	126	17	2	169	45%
Corporate controller	11	34	5	0	50	13%
Vice president (VP) of finance	9	21	5	0	35	9%
Director (of finance, accounting)	11	17	3	0	31	8%
Other	5	15	6	0	26	7%
Chief accounting officer	15	2	0	0	17	5%
Divisional/Geographic/Regional CFO	9	3	0	0	12	3%
Manager (of finance, accounting)	2	5	0	1	8	2%
Treasurer	3	3	0	0	6	2%
Chief operating officer	0	3	2	0	5	1%
Chief auditor/VP internal audit	4	0	0	0	4	1%
Divisional/Geographic/Regional controller	3	0	0	0	3	1%
Assistant controller	1	2	0	0	3	1%
Corporate president and/or CEO	0	3	0	0	3	1%
Chief administrative officer	2	0	1	0	3	1%
Chief tax officer/VP tax	1	0	0	0	1	0%
Managing director	0	1	0	0	1	0%
Totals	100	235	39	3	377	100%

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