

Financial Executives Compensation Survey --- 2008



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Congratulations from the FEI Southern Florida Chapter to FEI Distinguished Service Award Winner David Fater!

DAVID H. FATER



Since David H. Fater joined Financial Executives International in 1993, he has been an asset to not only the Northern Carolinas and Southern Florida chapters, but to the national association as well.

Fater began his FEI leadership by serving on the board of the Northern Carolinas Chapter. In 1995, he relocated and served on the board of the Southern Florida Chapter, and then as its president (between 2000 and 2002). Since then, he has served in various FEI leadership roles, including area vice president of the Southern Region. He currently serves on the national board of directors as chair of the audit committee.

Through his initiatives, Fater is responsible for bringing the Southern Florida Chapter from near extinction to vibrancy. In doing so, he's earned the title of "Mr. FEI" from his chapter. He created a sponsorship program, which now boasts more than 20 sponsors; changed the meeting venue, which resulted in an attendance boost; developed outstanding programs with nationally recognized speakers; and instilled succession planning and officer recruitment principles within the chapter. His vast contributions to the chapter and national leadership and his tireless volunteerism earn him the 2008 Distinguished Service Award.

Currently, as chairman, president and CEO of Vicor Technologies, Inc., a biotechnology company in Florida, Fater has responsibility for the overall planning and direction of the company, as well as its research and development activities. He joined the company in 2002.

He is also the CEO of ALDA & Associates International Inc., a business and financial consulting organization specializing in providing assistance to companies related to financing, strategic planning, restructurings, operations and mergers and acquisitions.

He previously served as the director, executive vice president and CFO for BMJ Medical Management Inc. (from 1997-1999), and executive vice president and CFO of Community Care of America Inc. (1995-1997) and Coastal Physician Group, Inc. (1993-1995).

Fater began his career at Ernst & Young LLP, where he served as a managing and audit and merger and acquisitions partner. He is a certified public accountant and holds a B.S. in accounting from the University of North Carolina.

An avid golfer who resides in Delray Beach, Fla., Fater and his wife Alexis have three children and four grandchildren, and are entertained daily by their "furry" children, Ava (a Pekingese) and Max (a terrier).

**Financial Executives Research Foundation would like to acknowledge and thank the
FEI Southern Florida Chapter for underwriting this congratulatory message.**

Congratulations from the FEI Detroit Chapter to FEI Distinguished Service Award Winner Robert Scherba!

ROBERT (BOB) R. SCHERBA



Upon hearing that Robert R. Scherba (known as Bob) is receiving the FEI Distinguished Service Award, his peers in the Detroit Chapter phrase it simply and eloquently: "The honor is well-deserved." Since joining FEI in 1992, Scherba has been an active member, beginning his service as an FEI leader by chairing the Detroit Membership Committee in 1996. Since then, he has served in various leadership roles, including president of the Detroit Chapter, area vice president of the North Central Region and member of FEI's national board of directors.

Scherba has been responsible for several major projects at the Detroit Chapter, including initiating new recruitment strategies and furthering the exposure and use of the Detroit Chapter Web site. Detroit Chapter members and its board look to Scherba for guidance and support, as he is highly respected for his knowledge and commitment. He is truly making positive contributions to an organization that he is clearly passionate about, and thus, the 2008 Distinguished Service Award celebrates his dedication, involvement and leadership.

Scherba's commitment to FEI continues in his current service as a trustee of Financial Executives Research Foundation (FERF). As a member of its research committee, he provides guidance on the continuing professional education most relevant to the membership.

In his "day job" at Williams International, where he is senior vice president, finance and people development, Scherba has responsibility for finance, human resources and integrated business planning. He joined Williams in 1986, as director, management information systems (MIS). He was named vice president, finance and administration in February 1992 and senior vice president in March 2006.

Prior to joining Williams, Scherba was the director of MIS for the AM general division of the LTV Aerospace and Defense Co. From 1974 to 1982, he was with the Burroughs Corp., where he held management positions in finance, strategic planning, corporate operations and information systems. He has also served in leadership positions with the National Contract Management Association, the Michigan Technology Counsel and the Society of Manufacturing Engineers.

Scherba is a graduate of the University of Michigan, where he received a degree in industrial engineering in 1970. He received an MBA in finance and accounting from the University of Chicago in 1974.

He resides in Brighton, Mich., with his wife Anne, with whom he shares mutual interests in golf, travel and University of Michigan sports. His son, Christopher, is a lead electrical engineer in the aerospace industry.

**Financial Executives Research Foundation would like to acknowledge and thank the
FEI Detroit Chapter for underwriting this congratulatory message.**

2008 Financial Executives Compensation Survey

Cheryl de Mesa Graziano
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2008 Financial Executives Compensation Survey

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2008 Financial Executives Compensation Survey

Purpose

This study provides benchmark information for senior financial executives on their salaries, bonuses, long-term incentives and retirement benefits. It is based on a survey sent to active members of Financial Executives International (FEI) in December 2007 and January 2008. This research report is an analysis of the 1,931 survey responses received.

Executive Summary

How does your pay, and that of your staff, stack up against your peers' compensation? This research study presents the results of a second annual survey of financial executives regarding their salaries, bonuses, long-term incentives and retirement benefits. The survey was completed by the financial executives themselves, rather than by human resources or executive search firm executives.

A total of 1,931 financial executives responded to the survey. The two industries most frequently represented were manufacturing, with 290 responses or 15.7 percent, and technology or software, at 160 responses or 8.7 percent. The largest number of responses continues to come from members employed by companies with corporate headquarters located in either the larger or more populated states: California (220 responses), Texas (154), New York (106), Massachusetts (97), and Illinois (91).

The estimated average base salary increase of all respondents is 4.75 percent. Public companies award the highest salary increases (4.96 percent), as do companies in the advertising industry (8 percent) and the metals industry (7.5 percent). Generally, salary increases are proportionate to a company's annual revenues. However, this is no longer the case once a company reaches more than \$1 billion in revenues.

Nearly half (48.2 percent) of the total respondents identified themselves as a chief financial officer (CFO). The average total annual cash compensation for the 282 that identified themselves as corporate CFOs is \$373,100, of which \$257,900 relates to the base salary. Overall, the total annual cash compensation for public-company CFOs was proportionate to the annual revenues of their employers.

The median base salaries of public-company CFOs are also typically proportionate to company revenue. The median base salary of a CFO from a public company with less than \$25 million in annual revenues was in the \$201,000 to \$225,000 range, a slight increase from the prior year's survey. Meanwhile, the median base salary of a CFO from a public company with more than \$5 billion in annual revenues was more than \$401,000, also a slight increase from the prior year. It is interesting to note that no CFOs from public companies with annual revenues of less than \$25 million earned more than \$400,000 per year. Most bonus percentages for public-company CFOs fall within the range of 21 percent to 70 percent of base salary.

For the second year in a row, the trend indicates more specialized technical and compliance-type responsibilities at public companies. For example, public-company respondents have more responsibility for mergers and acquisitions (M&A) and investor relations compared to their private-company peers. Other areas of responsibility identified by 5 percent or fewer of the public-company respondents include legal, purchasing, operations, investor relations, planning, mergers and acquisitions, and Sarbanes-Oxley compliance.

In comparison, the total annual cash compensation for private-company CFOs was lower than those for public-company CFOs. Average total annual cash compensation for all private-company CFOs in the sample is \$262,800, of which \$199,900 is the base salary. Total annual cash compensation for private-company CFOs is also proportionate to the annual revenues of their employers.

Median base salaries for private-company financial executives are fairly proportionate to company size and consistent with the prior year. No CFOs from private companies with annual revenues of less than \$25 million earned more than a base salary of \$350,000 per year, while no CFOs from private companies with annual revenues of more than \$10 billion earned less than \$276,000. Bonus percentages for private-company CFOs are also generally lower than those of their public-company counterparts, most falling within the range of 11 percent to 60 percent of base salary.

Compared to their public-company counterparts, private-company respondents typically had more responsibility in the areas of treasury, tax, human resources, administration and risk management/insurance. Responses were usually consistent with last year's survey, except in the area of administration, where there is a marked increase. The average base-salary increase for those employed at private companies is 4.59 percent.

For all 1,931 survey respondents, performance measures for annual compensation (salary and bonus) are generally consistent, with company/individual goals/objectives as the most important measure. However, there are a few differences with some of the more specific measures. For example, public companies favor revenue and earnings-per-share growth, as well as performance against industry peers, to assess performance. By contrast, private companies have a slight preference for net income and earnings before interest, taxes, depreciation and amortization (EBITDA).

Of the total of 1,931 respondents, only 383 individuals (20.3 percent) received cash-based, long-term incentive compensation – this has decreased from last year. The likelihood of an individual to receive non-stock long-term pay increased incrementally, based on company size.

Stock-based awards also decreased from the prior year, with a total of 603 respondents noting that their target award is based on a fixed number of shares or units, and another 367 noting awards that were based on another type of calculation. Of those who have received some type of stock-based pay, most are from public companies (67 percent). Stock options are still the most commonly used share-based award (70.6 percent public companies, 58.3 percent private companies), with restricted stock/restricted stock units (57.6 percent public, 21.8 percent private) next. The use of restricted stock, performance stock, and SAR is proportionate to company size. Of the 289 individuals who receive dividends or dividend equivalents on stock-based awards, 83 percent are from public companies.

Seventy-seven percent of the respondents (1,471) work for companies with defined-contribution plans that provide an employer match on employee contributions. However, there are more public companies that provide a match of 6 percent or more. This is demonstrated by the average match of 4.11 percent for public companies and 3.31 percent for private. The average match is also directly proportionate to company annual revenues.

Only 438 of those surveyed are eligible to receive monthly benefits from their company's defined-benefit plan, and 56 percent of this group hails from public companies. Interestingly, this represents an overall increase from the prior year's survey, as well as an increase in the private-company respondents who said they are entitled to this type of monthly retirement benefit.

However, the overall number of supplemental retirement plans is less than in the prior year, with a significant majority (1,492 respondents) not entitled to receive additional monthly retirement benefits. A majority of those who have these supplemental plans work for public companies.

The use of perquisites has decreased slightly overall. A company car or car allowance (563 responses or 29 percent) is still the most common perk.

The use of employment contracts has also decreased slightly from the prior year. Most employment contracts provided for change-in-control severance benefits (597 or 31 percent), as well as other types of severance (503 responses or 26 percent).

Research Methodology

The data for this research report was compiled from responses received from three electronic surveys, sent via e-mail in December 2007 and in January 2008 to 10,465 active FEI members. An active, or executive, FEI member is defined as an individual currently holding a position as a financial executive at an organization. Members were asked 23 questions in five key areas:

1. Demographics;
2. Compensation;
3. Long-term incentives (compensation for periods longer than one year);
4. Retirement benefits; and
5. Other compensation benefits.

A total of 1,931 members completed the survey, representing a response rate of 18 percent. A profile of the respondents follows. Average salary and bonus calculations were made based on the assumption that each salary and bonus was exactly at the midpoint of a salary range identified by a respondent. For salaries of \$401,000 and over and bonuses over 100 percent, calculations are based on \$401,000 and 100 percent respectively, though the actual amounts may have been higher. Medians were calculated for numerical responses by ordering the data responses from lowest to highest and selecting the figure in the middle of the data group. Note that with smaller samples, it is difficult to make firm conclusions on averages or medians.

Demographics

Respondent Profile – Title and Company Type							
	Number of Responses by Company Type						
	Public	Private	Non profit	Gov't.	Not indicated	Grand Total	
Title							
Corporate Chief Financial Officer (CFO)	282	563	59	15	11	930	48.2%
Corporate Controller	116	103	8	2	3	232	12.0%
Vice President (VP) Finance	90	102	11	4	1	208	10.8%
Director (of finance, accounting)	63	32	4	3	2	104	5.4%
Divisional/Geographic/Regional CFO	55	25	1		2	83	4.3%
Other	37	28	5			70	3.6%
Treasurer	33	24	4		1	62	3.2%
Divisional/Geographic/Regional Controller	30	14				44	2.3%
Chief Accounting Officer	34	7				41	2.1%
Manager (of finance, accounting)	21	7	1	2		31	1.6%
Assistant Controller	20	4			1	25	1.3%
Chief Auditor/VP Internal Audit	22	3				25	1.3%
Chief Operating Officer	4	21				25	1.3%
President and/or Chief Executive Officer	5	12	2	2		21	1.1%
Assistant Treasurer	9	3				12	0.6%
Chief Tax Officer/VP Tax	3	2				5	0.3%
Not indicated	8	4	1			13	0.7%
Grand Total	832	954	96	28	21	1,931	100.0%
	43.1%	49.4%	5.0%	1.5%	1.1%	100.0%	

Although there was an increase in overall responses, percentages remained fairly consistent from the prior year's survey. There was a slight increase, however, in responses from private-company financial executives. In the 2007 survey, the ratio of public- to private-company respondents was 46 percent to 49 percent, respectively.

Consistent with the prior year, respondents were most likely to hail from manufacturing, with 290 responses, or 15.7 percent, and technology or software, at 160 responses or 8.7 percent. Responses from the energy/utilities/oil and gas sector (116 or 6.3 percent this year) increased from 80 or 4.3% last year. Finally, responses from the banking/financial sector totaled 104 or 5.6 percent, one response less than the prior year.

Compared with the previous year's survey, the largest number of responses continues to come from members employed by companies with corporate headquarters located in either the larger or more populated states: California (220 responses), Texas (154), New York (106), Massachusetts (97), Illinois (91). However, there was an increase in the number of responses from members employed by companies with international headquarters—280 responses this year versus 50 responses last year.

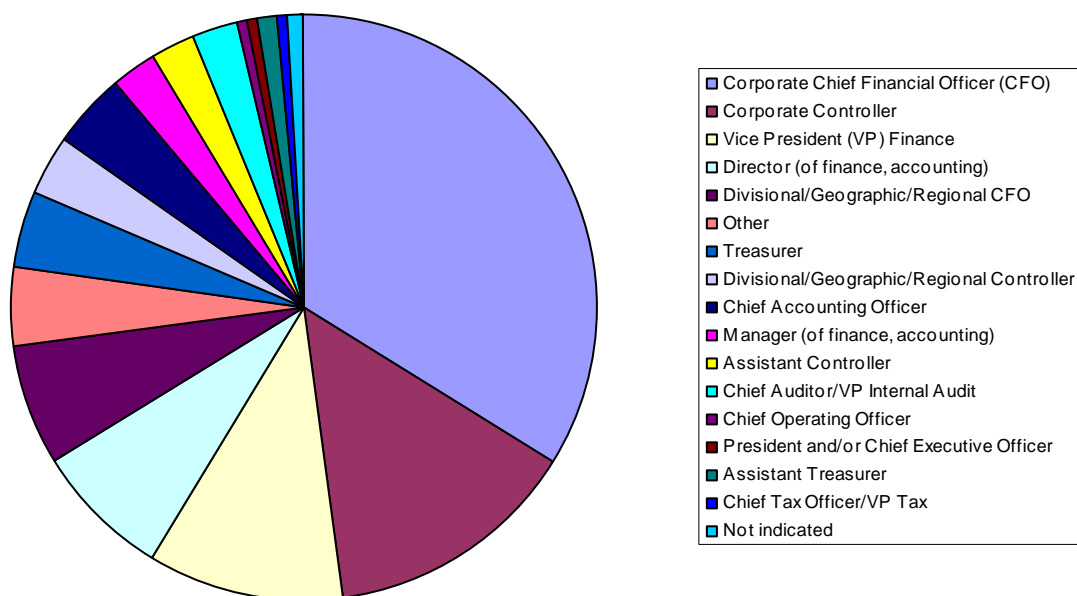
The estimated average base-salary increase for all respondents is 4.75 percent. Public companies overall award the highest salary increases (4.96 percent), as do companies in the advertising industry (8 percent) and the metals industry (7.5 percent). Generally, salary increases are proportionate to company annual revenue. However, this does not hold true once a company reaches over \$1 billion in revenue.

Public Companies

Overview

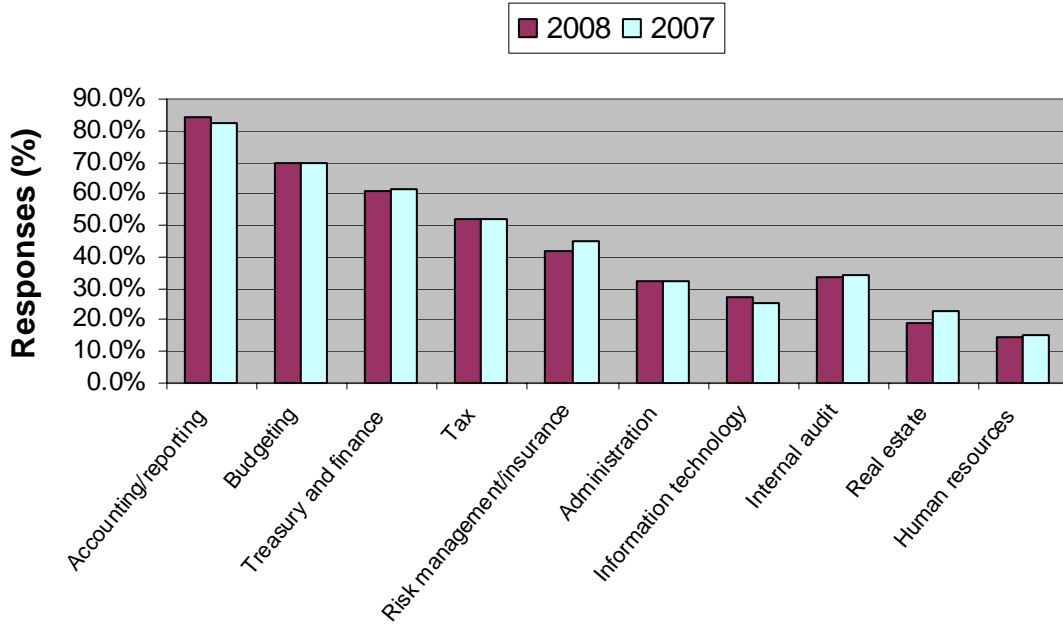
The annual compensation of financial executives from public companies includes a base salary and a bonus opportunity. A total of 832 responses were received from financial executives from publicly held companies.

Respondent Title - Public companies



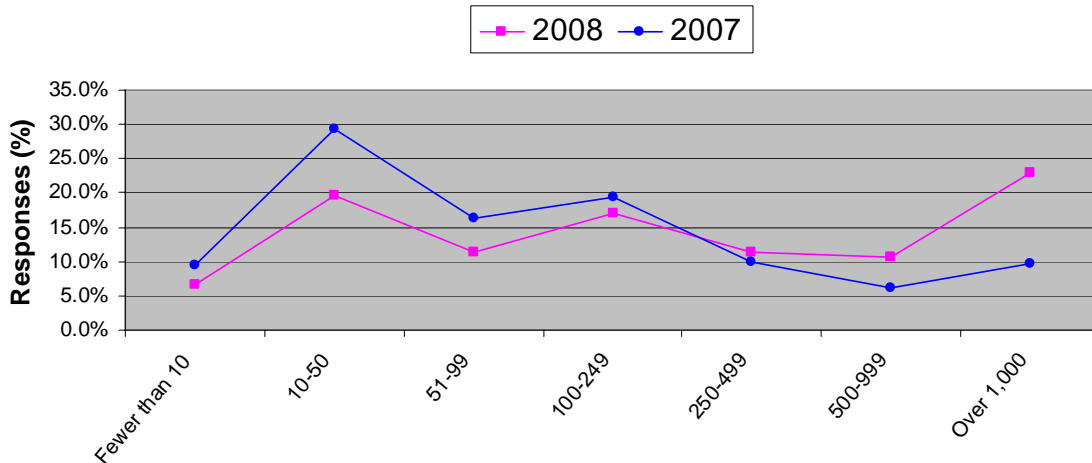
Job responsibilities for public-company respondents are depicted in the following chart. For the second year in a row, the trend indicates more specialized technical and compliance-type responsibilities at public companies. For example, public-company respondents have more responsibility for mergers and acquisitions (M&A) and investor relations compared to their private-company peers. Other areas of responsibility identified by 5 percent or fewer of public-company respondents include legal, purchasing, operations, investor relations, planning, mergers and acquisitions, and Sarbanes-Oxley compliance.

Job responsibilities - Public companies



The following graph provides a snapshot of the number of finance/accounting employees and full-time equivalents employed at the public companies surveyed. The total number was proportionate to the company annual revenues. The average number of finance/accounting employees at public companies was 444. The median was in the 100 to 249 range.

Finance/Accounting Employees/FTEs Public Companies



When comparing responses for the 2007 and 2008 surveys, the average salary increase for those employed at public companies is 4.96 percent, based on the 825 respondents who indicated their most recent increase. The most common performance measures used to determine annual compensation continues to be company and individual goals and objectives. The following list depicts the prevalence of various performance measures.

Performance measures for annual compensation
(salary and bonus)

	Responses	%
Company goals/objectives	656	78.8%
Individual goals/objectives	624	75.0%
Department, group or business unit goals/objectives	271	32.6%
Revenue growth	225	27.0%
Net income	160	19.2%
Earnings-per-share growth	153	18.4%
Earnings before interest, taxes, depreciation and amortization	133	16.0%
Earnings before interest and taxes	121	14.5%
Performance against companies within the same industry	87	10.5%
Return on assets	70	8.4%
Return on equity	65	7.8%

Detailed tables of base salaries and annual bonuses are provided for each major public company title in the following pages.

Corporate CFO, Public Company

The annual compensation for the 282 corporate CFOs from public companies includes both a base salary and a bonus opportunity. The average total compensation for all public-company CFOs in the sample is \$373,100, of which \$257,900 is the base salary. On average, the total annual cash compensation for public-company CFOs was proportionate to the annual revenues of their employers. Averages based on company annual revenues are provided in the following table. One respondent did not indicate company annual revenues.

CFO, Public Company – AVERAGE Annual Compensation								
	Company Annual Revenues							Overall
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	
Number of responses	36	66	85	31	47	8	8	281
Salary	214,000	193,000	242,800	291,200	351,700	376,600	346,000	257,900
Salary + Bonus	253,800	244,100	334,600	454,600	573,800	637,700	592,700	373,100

The median base salaries of public-company CFOs are also typically proportionate to company revenue. The median base salary of a CFO from a public company with less than \$25 million in annual revenues was in the \$201,000 to \$225,000 range, a slight increase from the 2007 survey. Meanwhile, the median base salary of a CFO from a public company with more than \$5 billion in annual revenues was over \$401,000, also a slight increase from the prior year. The following table

provides detail, with median ranges shaded and bolded. Medians are generally consistent with the 2007 responses. It is interesting to note that no CFOs from public companies with annual revenues of less than \$25 million earned more than \$400,000 per year.

CFO, Public Company – All Responses								
	Company Annual Revenues							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	2	3						5
\$126,000 – 150,000	5	6	2	1				14
\$151,000 – 175,000	4	18	7	1			1	31
\$176,000 – 200,000	6	14	14		1			35
\$201,000 – 225,000	3	15	10	1	1		1	31
\$226,000 – 250,000	7	4	18	6	2			37
\$251,000 – 275,000	5	3	14	3		2		27
\$276,000 – 300,000	1	2	9	7	8			27
\$301,000 – 350,000	2	1	8	7	12			30
\$351,000 – 400,000	1		3	3	5	1	3	16
>\$401,000				2	18	5	3	28
Grand Total	36	66	85	31	47	8	8	281

Many companies with annual revenues of \$99 million or less received discretionary bonuses, as indicated in the following table. Most fall within the range of 21 percent to 70 percent of base salary.

CFO, Public Company – All Responses								
	Company Annual Revenues							
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response	2	3				1		6
None	1		4		1			6
Bonus based on other calculation	2	2	7	1	1			13
Discretionary bonus	14	15	5	1	1			36
Up to 10% of base salary		1						1
11 – 20%	3	6	3					12
21 – 30%	4	13	14					31
31 – 40%	6	11	15	3	3		2	40
41 – 50%	2	5	15	14	7			43
51 – 60%	1	6	11	2	8			28
61 – 70%		1	4	3	9	2	3	22
71 – 80%		2	2	1	8	2	1	16
81 – 90%		1		1			1	3
91 – 100%	1		3	1	4	3		12
Exceeds 100%			2	4	5		1	12
Grand Total	36	66	85	31	47	8	8	281

Corporate Controller, Public Company

The annual compensation for the 116 corporate controllers from public companies includes both a base salary and a bonus opportunity. The average annual cash compensation for all public-company corporate controllers in the sample is \$303,000, of which \$214,800 relates to base salary. The total annual compensation for public-company corporate controllers was proportionate to the annual revenues of their employers. Averages based on company annual revenues are provided in the following table.

Corporate Controller, Public Company – AVERAGE Annual Compensation								
	Company Annual Revenues							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	10	9	17	7	40	13	20	116
Salary	125,400	163,100	163,600	198,300	214,200	249,900	310,500	214,800
Salary + Bonus	141,400	182,000	207,300	273,800	292,200	347,000	522,800	303,000

The median base salaries of public-company controllers are also proportionate to company revenues. The median base salary of a controller from a public company with less than \$25 million in annual revenues was in the \$100,000 to \$125,000 range. The median base salary of a controller from a public company with more than \$10 billion in annual revenues was in the \$276,000 to \$300,000 range. The following table provides detail, with median ranges shaded and bolded. The overall median salary is consistent with that of the prior year, although there are some fluctuations in each category of annual revenues.

Corporate Controller, Public Company – All Responses								
	Company Annual Revenues							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	7	3	1					11
\$126,000 – 150,000	2	2	7		3			14
\$151,000 – 175,000		2	4	2	6			14
\$176,000 – 200,000	1	1	3	3	10	1		19
\$201,000 – 225,000			1	1	8	5	3	18
\$226,000 – 250,000			1		5	4	1	11
\$251,000 – 275,000				1	4		2	7
\$276,000 – 300,000					1	1	4	6
\$301,000 – 350,000		1			3	1	5	10
\$351,000 – 400,000							2	2
>\$401,000						1	3	4
Grand Total	10	9	17	7	40	13	20	116

The annual bonuses of public-company controllers were also somewhat proportionate to the annual revenues of their employers. Similar to the prior year, most bonuses ranged from 21 percent to 50 percent of base annual salary.

Corporate Controller, Public Company – All Responses								
	Company Annual Revenues							
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response								0
None		1						1
Bonus based on other calculation					3	2		5
Discretionary bonus	3	3		1				7
Up to 10% of base salary	1							1
11 – 20% of base salary	4	2	4		1			11
21 – 30%	2	3	8	1	15			29
31 – 40%			4	2	4	5	2	17
41 – 50%				2	12	1	4	19
51 – 60%					2	4	3	9
61 – 70%			1	1	1		3	6
71 – 80%					2	1	2	5
81 – 90%							1	1
91 – 100%							1	1
Exceeds 100%							4	4
Grand Total	10	9	17	7	40	13	20	116

VP Finance, Public Company

The annual compensation for the 90 VPs of finance from public companies includes both a base salary and a bonus opportunity. For respondents in the sample, the average total compensation is \$277,300, of which \$203,800 is the base salary. Generally, the total annual compensation for public company VPs of finance was proportionate to the annual revenues of their employers. Averages based on company annual revenues are provided in the following table.

VP Finance, Public Company – AVERAGE Annual Compensation								
	Company Annual Revenue							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	1	4	22	9	23	11	20	90
Salary	169,000	172,300	177,300	196,200	208,800	210,300	233,400	203,800
Salary + Bonus	228,100	237,300	227,000	257,300	286,100	294,100	330,900	277,300

The median base salaries of VPs of finance from public companies were less proportionate to company revenues. The median base salary of a VP of finance from a public company with less than \$25 million in annual revenues was in the \$151,000 to \$175,000 range. Meanwhile, the median base salary of a VP of finance from a company with more than \$10 billion in annual revenues was comparable to the prior year, in the \$226,000 to \$250,000 range. The following table provides detail, with median ranges shaded and bolded. Note that one respondent did not indicate a salary range. The medians overall were consistent with the prior year.

VP Finance, Public Company – All Responses								
	Company Annual Revenues							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000			2			1		3
\$126,000 – 150,000		1	3	2	4		1	11
\$151,000 – 175,000	1		4	2	2	3	3	15
\$176,000 – 200,000		2	8	1	4	1	3	19
\$201,000 – 225,000			5	1	5	3	2	16
\$226,000 – 250,000				2	3		6	11
\$251,000 – 275,000				1	4	2	1	8
\$276,000 – 300,000					1		2	3
\$301,000 – 350,000						1	1	2
>\$401,000							1	1
Grand Total	1	3	22	9	23	11	20	89

Paralleling last year's survey, the annual bonuses of public-company VPs of finance were typically in the range of 21 percent to 50 percent of base salary.

VP Finance, Public Company – All Responses								
	Company Annual Revenues							
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response		1						1
Bonus based on other calculation					1	1	2	4
Discretionary bonus			2					2
11 – 20% of base salary			3	3	1			7
21 – 30%			8	2	8	1	3	22
31 – 40%	1	2	5	2	5	5	5	25
41 – 50%		1	3	1	2	2	4	13
51 – 60%			1	1	3	1	3	9
61 – 70%					2		2	4
71 – 80%					1		1	2
Exceeds 100%						1		1
Grand Total	1	4	22	9	23	11	20	90

Director Level, Public Company

The annual compensation for the 63 director-level employees (i.e., director of finance, director of accounting) from public companies includes both a base salary and a bonus opportunity. The average total compensation for the sample is \$198,300, of which \$160,800 is base salary. Generally, the total annual compensation for the public-company director level was proportionate to the annual revenues of their employers. Averages based on company annual revenues are provided in the following table.

Director Level, Public Company – AVERAGE Annual Compensation								
	Company Annual Revenues							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	1	3	7	4	19	12	17	63
Salary	112,500	165,700	135,200	133,300	157,400	175,000	173,700	160,800
Salary + Bonus	112,500	182,100	161,500	172,100	190,400	226,200	216,500	198,300

The base salaries of directors are relatively consistent, with higher levels for those employed at larger companies. The overall median is in the \$126,000 to \$150,000 range. This is consistent with last year's responses.

Director Level, Public Company – All Responses								
	Company Annual Revenue							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	1		1	2	3	2		9
\$126,000 – 150,000		1	6	1	9	1	7	25
\$151,000 – 175,000		1		1	1	2	3	8
\$176,000 – 200,000		1			3	5	2	11
\$201,000 – 225,000					2	1	4	7
\$226,000 – 250,000					1	1	1	3
Grand Total	1	3	7	4	19	12	17	63

The annual bonuses of public-company directors generally fall in the range of 11 percent to 40 percent of base salary. The maximum bonus rate is consistent with the prior year.

Director Level, Public Company – All Responses								
	Company Annual Revenues							
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response					1			1
None						1		1
Bonus based on other calculation	1				1		1	3
Discretionary bonus		1		1			1	3
Up to 10% of base salary			1		1		2	4
11 – 20% of base salary		2	3	1	6		1	13
21 – 30%			2		8	4	5	19
31 – 40%			1		1	6	6	14
41 – 50%				2		1	1	4
51 – 60%					1			1
Grand Total	1	3	7	4	19	12	17	63

Divisional/Regional CFO, Public Company

The annual compensation for the 55 divisional/geographic/regional CFOs from public companies also includes a base salary and a bonus opportunity. The average total compensation for the sample is \$311,700, of which \$220,600 corresponds to base salary. Generally, the total annual compensation for the public-company director level was somewhat proportionate to the annual revenues of their employers. Averages based on company annual revenue are provided in the following table. Note that one respondent did not indicate revenues.

Divisional/Geographic/Regional CFO, Public Company – AVERAGE Annual Compensation								
	Company Annual Revenues							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	2	3	10	5	15	4	15	54
Salary	140,800	199,000	183,000	232,200	224,400	236,800	250,900	220,600
Salary + Bonus	161,900	253,400	226,100	307,700	310,700	362,300	393,200	311,700

The overall median salary range (\$201,000 to \$225,000) for public-company divisional CFOs is slightly higher than the median in the previous year. Salary detail for all responses is provided below. Medians are shaded and bolded.

Divisional/Geographic/Regional CFO, Public Company								
	Company Annual Revenues							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	1							1
\$126,000 – 150,000			2	2	2		1	7
\$151,000 – 175,000	1	1	2		1	1	2	8
\$176,000 – 200,000		1	5		1		1	8
\$201,000 – 225,000					5	1	2	8
\$226,000 – 250,000		1			1	1	1	4
\$251,000 – 275,000			1	1	3		2	7
\$276,000 – 300,000				1	1		3	5
\$301,000 – 350,000				1	1	1	2	5
\$351,000 – 400,000							1	1
Grand Total	2	3	10	5	15	4	15	54

The annual bonuses of public-company divisional CFOs were primarily in the 21 percent to 50 percent of base salary range – consistent with last year.

Divisional/Geographic/Regional CFO, Public Company								
	Company Annual Revenues							
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response			1					1
None	1							1
Bonus based on other calculation			1	1				2
Discretionary bonus							1	1
11 – 20% of base salary		1	2		1		1	5
21 – 30%	1	1	4	1	3		2	12
31 – 40%			1		3	1	2	7
41 – 50%		1		2	6	2	2	13
51 – 60%			1	1	2		1	5
61 – 70%							2	2
71 – 80%						1	1	2
Exceeds 100%							3	3
Grand Total	2	3	10	5	15	4	15	54

Treasurer, Public Company

The annual compensation for the 33 treasurers from public companies includes both a base salary and a bonus opportunity. The average total compensation for the sample is \$262,400, of which \$203,300 is the base salary. With two exceptions, the total annual compensation for the public-company treasurer is proportionate to the company annual revenues. A summary of the average annual compensation follows.

Treasurer, Public Company – AVERAGE Annual Compensation							
	Company Annual Revenue						
	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	1	3	7	15	3	4	33
Salary	169,000	174,000	175,200	205,700	275,700	220,300	203,300
Salary + Bonus	169,000	193,700	209,900	267,600	400,400	306,400	262,400

The median annual base salary of all public-company treasurers responding to the survey was in the \$176,000 to \$200,000 range, identical to the prior year. Medians are shaded and bolded.

Treasurer, Public Company							
	Company Annual Revenues						
Annual Base Salary	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000			1				1
\$126,000 – 150,000		1		1		1	3
\$151,000 – 175,000	1	1	1	3			6
\$176,000 – 200,000			5	3			8
\$201,000 – 225,000		1		4		1	6
\$226,000 – 250,000				2		1	3
\$251,000 – 275,000				2	2		4
\$276,000 – 300,000					1	1	2
Grand Total	1	3	7	15	3	4	33

The annual bonuses of public-company treasurers were about equal, regardless of company size, primarily in the 21 percent to 50 percent of base-salary range. This is consistent with last year's responses.

Treasurer, Public Company							
	Company Annual Revenues						
Annual Bonus	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
None	1			1			2
Bonus based on other calculation		1	1	1			3
Discretionary bonus		1	2				3
11 – 20% of base salary			1				1
21 – 30%				5		1	6
31 – 40%		1	2	6	1	1	11
41 – 50%			1	1	1	2	5
51 – 60%					1		1
61 – 70%				1			1
Grand Total	1	3	7	15	3	4	33

Divisional/Regional Controller, Public Company

Thirty divisional/geographic/regional controllers from public companies responded to the survey. Of those, 27 indicated their base salary and bonus opportunity. The average total compensation for the sample is \$221,700, of which \$165,700 corresponds to base salary. The total annual compensation for the public-company divisional controller was somewhat proportionate to the annual revenues of their employers. The averages, based on company annual revenues, are provided in the following table.

Divisional/Geographic/Regional Controller, Public Company – AVERAGE Annual Compensation							
	Company Annual Revenues						
	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	2	5	5	4	4	10	30
Salary	112,500	148,700	130,200	159,000	159,000	195,600	165,700
Salary + Bonus	129,400	196,500	154,900	189,400	206,400	282,700	221,700

The median annual base salary of public-company divisional controllers was between \$126,000 and \$150,000. Three respondents did not indicate their base salaries. The medians were identical to last year's.

Divisional/Geographic/Regional Controller, Public Company							
	Company Annual Revenues						
Annual Base Salary	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	1	1	1				3
\$126,000 – 150,000		3	2	2	2	1	10
\$151,000 – 175,000				1	1	1	3
\$176,000 – 200,000				1	1	7	9
\$201,000 – 225,000		1					1
\$301,000 – 350,000						1	1
Grand Total	1	5	3	4	4	10	27

The annual bonuses of public company divisional controllers varied, as depicted in the following table.

Divisional/Geographic/Regional Controller, Public Company							
	Company Annual Revenues						
Annual Bonus	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
None	1						1
Bonus based on other calculation			1			1	2
Discretionary bonus			1	1			2
11 – 20% of base salary	1	3	1	1		1	7
21 – 30%			1	1	2	1	5
31 – 40%			1	1	2	3	7
41 – 50%		1				2	3
51 – 60%		1				1	2
Exceeds 100%						1	1
Grand Total	2	5	5	4	4	10	30

Chief Accounting Officer, Public Company

There were 34 chief accounting officers from public companies who gave information about their base salary and bonus opportunity. The average total compensation for the sample is \$352,700, of which \$247,400 is base salary. The total annual compensation for the public-company divisional controller was generally proportionate to the annual revenues of their employers. The averages, based on company annual revenues, are provided in the following table.

Chief Accounting Officer, Public Company – AVERAGE Annual Compensation						
	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	3	4	12	4	11	34
Salary	190,700	239,000	237,000	269,500	269,200	247,400
Salary + Bonus	231,200	334,000	308,100	390,800	427,400	352,700

The median annual base salary of all public-company chief accounting officers was in the \$226,000 to \$250,000 range and was higher than in the prior year. In comparison to respondents with other titles, the position of chief accounting officer existed only for companies with more than \$100 million in revenue. Furthermore, the position had the highest base-salary range of all titles.

Chief Accounting Officer, Public Company – All Responses						
	Company Annual Revenues					
Annual Base Salary	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$151,000 – 175,000	1		1			2
\$176,000 – 200,000	1		3	1	1	6
\$201,000 – 225,000	1	2	2		2	7
\$226,000 – 250,000		1	1	1	1	4
\$251,000 – 275,000			2		2	4
\$276,000 – 300,000		1	2		3	6
\$301,000 – 350,000			1	2	1	4
\$351,000 – 400,000					1	1
Grand Total	3	4	12	4	11	34

The annual bonuses of public-company divisional controllers varied, as depicted in the following table. Most bonuses range from 31 percent to 60 percent of base salary.

Chief Accounting Officer, Public Company – All Responses						
	Company Annual Revenues					
Annual Bonus	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
None			1			1
Bonus based on other calculation			2		1	3
11 – 20% of base salary	1		1			2
21 – 30%	2		2			4
31 – 40%		2	4	1		7
41 – 50%		2	1	2	2	7
51 – 60%				1	5	6
61 – 70%					1	1
81 – 90%			1			1
91 – 100%					1	1
Exceeds 100%					1	1
Grand Total	3	4	12	4	11	34

Other, Public Company

The following table shows average base salaries and total pay for the other titles in the survey. Compared to the prior year, salaries have increased for assistant treasurers. Bonuses have increased for managers, assistant controllers, chief auditors and, most significantly, for chief tax officers.

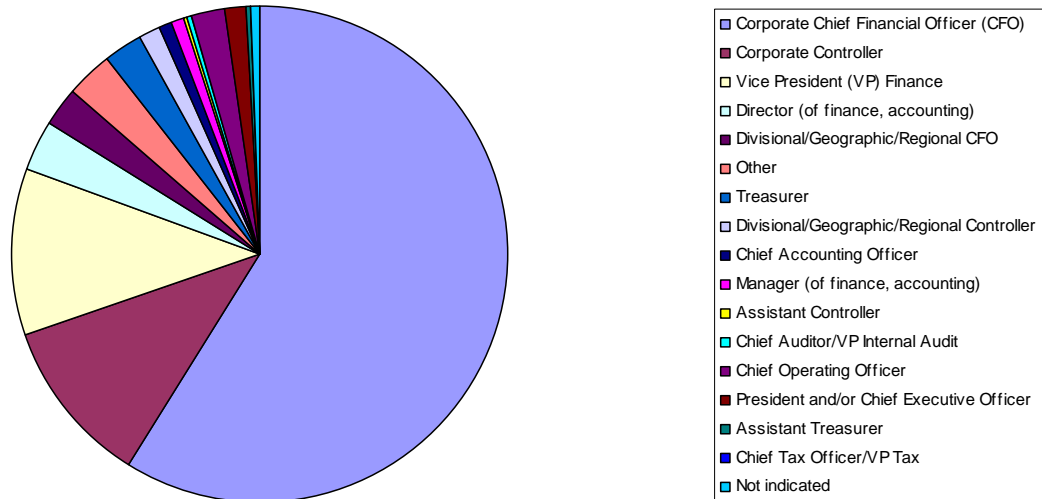
Public Company – AVERAGE Annual Compensation	Less than \$25 million	\$25-99 million	\$100- 499 million	\$500- 999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
<u>Manager title (i.e. manager of finance, accounting, etc.)</u>								
Number of responses	1	1	4	2	5	1	7	21
Salary	139,000	112,500	132,380	125,750	133,700	139,000	150,710	137,900
Salary + Bonus	173,500	112,500	137,590	134,190	162,100	243,250	191,170	166,500
<u>Assistant Controller</u>								
Number of responses				1	10	1	8	20
Salary				112,500	156,200	189,000	232,880	186,300
Salary + Bonus				112,500	186,280	274,050	348,420	251,800
<u>Chief Auditor/VP Internal Audit</u>								
Number of responses			3		7	7	5	22
Salary			165,670		225,570	214,500	249,400	219,300
Salary + Bonus			190,520		322,260	304,250	396,590	315,500
<u>Chief Operating Officer*</u>								
Number of responses	1	1		1				3
Salary	289,000	139,000		239,000				222,300
Salary + Bonus	289,000	201,550		466,050				318,900
<u>President and/or Chief Executive Officer*</u>								
Number of responses	1		2	1				4
Salary	169,000		269,500	375,000				270,800
Salary + Bonus	169,000		375,130	656,250				393,900
<u>Assistant Treasurer</u>								
Number of responses					3	1	5	9
Salary					155,170	169,000	194,000	178,300
Salary + Bonus					226,240	228,150	252,950	241,300
<u>Chief Tax Officer/VP Tax</u>								
Number of responses						1	2	3
Salary						288,000	325,500	338,167
Salary + Bonus						505,440	538,703	522,071
*One response did not indicate company size and thus is not included in this table.								

Private Companies

Overview

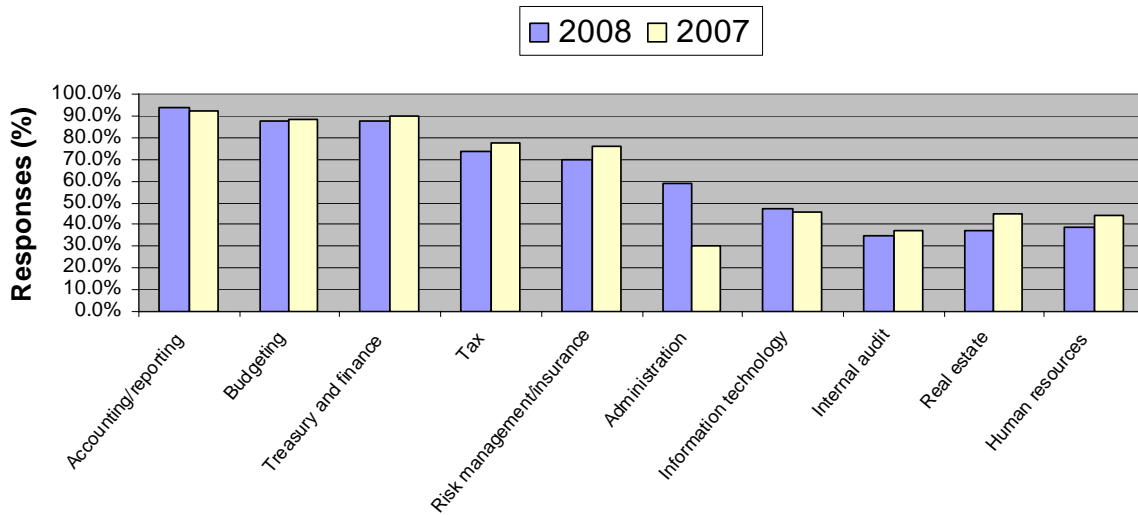
The annual compensation of financial executives from private companies includes a base salary and a bonus opportunity. A total of 954 responses were received from financial executives from privately held companies.

Respondent Title - Private Companies



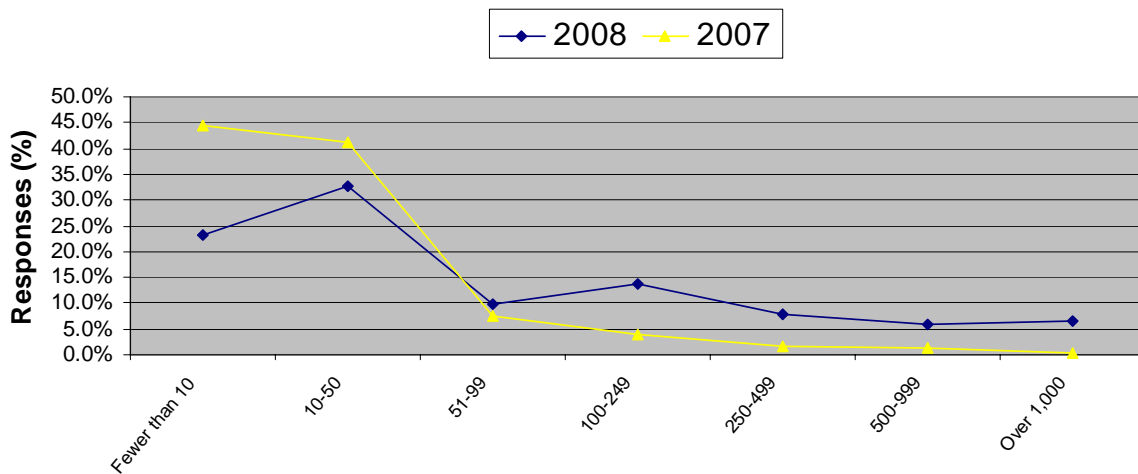
As the following chart shows, private-company respondents had more diverse job responsibilities than their public-company counterparts, particularly in the areas of treasury, tax, human resources, administration, and risk management/insurance. Responses were generally consistent with those in the 2007 survey, except in the area of administration, where there is a marked increase of 29%. Other areas of responsibility identified by 4 percent or fewer of private-company respondents include legal, purchasing, operations, investor relations, planning, and mergers and acquisitions. Correspondingly, private-company respondents have increased responsibility for legal issues, but less so for investor relations and M&A vis-a-vis their public-company peers.

Job responsibilities - Private companies



The following graph provides a snapshot of the number of finance and full-time equivalents employed at the private companies surveyed.

Finance/Accounting Employees/FTEs Private Companies



When comparing responses over the 2007 and 2008 surveys, the average salary increase for those employed at private companies is 4.59 percent, based on the 936 respondents who indicated their most recent increase. The most common performance measures used to determine annual compensation is still corporate and individual goals and objectives. The following list depicts the prevalence of various performance measures.

Performance measures for annual compensation
(salary and bonus)

	Responses	%
Company goals/objectives	726	76.1%
Individual goals/objectives	660	69.2%
Net income	264	27.7%
Department, group or business unit goals/objectives	256	26.8%
Earnings before interest, taxes, depreciation and amortization	218	22.9%
Revenue growth	169	17.7%
Earnings before interest and taxes	123	12.9%
Return on equity	56	5.9%
Return on assets	55	5.8%
Earnings per share growth	30	3.1%
Performance against companies within the same industry	26	2.7%

Detailed tables of base salaries and annual bonuses are provided for each private-company major title in the following pages.

Corporate CFO, Private Company

The annual compensation for the 563 corporate CFOs from private companies who responded to the survey includes both a base salary and a bonus opportunity. The average total compensation for all private-company CFOs in the sample is \$262,800, of which \$199,900 relates to base salary. The total annual compensation for private-company CFOs was proportionate to the annual revenues of their employers. Averages based on company annual revenues are shown in the following table. One respondent did not indicate company annual revenues.

CFO, Private Company – AVERAGE Annual Compensation							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$10 billion	Overall
Number of responses	107	202	182	39	29	3	562
Salary	171,800	176,000	211,900	261,700	299,800	354,500	199,900
Salary + Bonus	200,900	219,300	285,600	394,800	454,000	506,100	262,800
*One response was incomplete; thus the total is less than that on page 3 of this report							

The following table provides detail, with median ranges shaded and bolded by company annual revenues. Medians were fairly proportionate to company size and consistent with those of the prior year. No CFOs from private companies with annual revenues of less than \$25 million earned more than a base salary of \$350,000 per year, while no CFOs from private companies with annual revenues of more than \$10 billion earned less than \$276,000. Seven respondents did not indicate their base salaries.

CFO, Private Company		Company Annual Revenues					
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	18	34	8				60
\$126,000 – 150,000	23	38	16	3			80
\$151,000 – 175,000	17	33	31	1	1		83
\$176,000 – 200,000	25	45	38	2	2		112
\$201,000 – 225,000	12	17	26	10	3		68
\$226,000 – 250,000	7	20	16	4	3		50
\$251,000 – 275,000	2	8	22	5	4		41
\$276,000 – 300,000	1	1	13	5	2	1	23
\$301,000 – 350,000	1	3	6	4	5		19
\$351,000 – 400,000			2	1	6		9
>\$401,000			2	4	3	1	10
Grand Total	106	199	180	39	29	2	555

The bonuses of private-company CFOs are shown in the following table.

CFO, Private Company		Company Annual Revenues					
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$10 billion	Grand Total
Did not indicate		3	2				5
None	6	3	3				12
Bonus based on other calculation	11	16	14		3		44
Discretionary bonus	34	30	18	1			83
Up to 10% of base salary	4	7	4				15
11 – 20% of base salary	14	26	22	2	1		65
21 – 30%	16	44	26	7	4	1	98
31 – 40%	8	37	29	8	3		85
41 – 50%	7	20	25	9	7		68
51 – 60%	2	3	15	1	2	1	24
61 – 70%		3	3	3	1		10
71 – 80%	1	1	3		2		7
81 – 90%	1			1			2
91 – 100%		2	6	4	2		14
Exceeds 100%	2	4	10	3	4		23
Grand Total	106	199	180	39	29	2	555

Corporate Controller, Private Company

The annual compensation for most of the 103 corporate controllers from private companies who responded to the survey includes a base salary and a bonus opportunity. For all private-company corporate controllers in the sample, the average total compensation is \$173,400, of which \$145,000 is the base salary. The average total annual compensation for private-company corporate controllers was directly proportionate to the annual revenues of their employers. The averages, based on company annual revenues, are provided in the following table. Four respondents did not provide base-salary information.

Controller, Private Company – AVERAGE Annual Compensation								
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	15	26	31	12	14	2	3	103
Salary	120,100	125,900	141,800	173,200	176,100	214,000	354,500	145,000
Salary + Bonus	126,200	142,900	162,400	212,100	234,900	310,300	506,100	173,400

Median total annual compensation is also directly proportionate to company annual revenues. The following table provides details, with median ranges shaded and bolded. Four respondents did not indicate a salary.

Controller, Private Company	Company Annual Revenues							
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	10	17	13		2			42
\$126,000 – 150,000	4	6	8	4	3			25
\$151,000 – 175,000		2	6	2	2			12
\$176,000 – 200,000		1	3	5	2	1		12
\$201,000 – 225,000					3		1	4
\$226,000 – 250,000			1	1		1		3
\$276,000 – 300,000					1			1
Grand Total	14	26	31	12	13	2	1	99

Most of the annual bonus percentages for private-company controllers do not exceed 30 percent of salary.

Controller, Private Company	Company Annual Revenues							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
None	4	3	3					10
None indicated			1					
Bonus based on other calculation	3	3	2	1				9
Discretionary bonus	4	4	5	1	1			15
Up to 10% of base salary		5	4					9
11 – 20% of base salary	3	5	7	1	2			18
21 – 30%	1	4	5	6	5			21
31 – 40%			1	3	4			8
41 – 50%			2		1	2		5
51 – 60%			1					1
61 – 70%		1						1
71 – 80%		1					1	2
Exceeds 100%					1			1
Grand Total	15	26	31	12	14	2	1	100

VP Finance, Private Company

The annual compensation for the 102 vice presidents, finance, from private companies includes both a base salary and a bonus opportunity. The average total compensation for all private-company VPs of finance in the sample is \$200,200, of which \$160,900 is base salary. Generally, the total annual compensation for private-company VPs of finance was proportionate to the annual revenues of their employers, except for those employed by companies with more than \$5 billion in revenue. Averages based on company annual revenues are provided in the following table.

VP Finance, Private Company – AVERAGE Annual Compensation								
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	21	31	28	8	11	1	2	102
Salary	139,200	143,100	167,200	195,900	203,000	239,000	164,000	160,900
Salary + Bonus	158,600	174,200	200,500	256,100	293,400	322,600	240,300	200,200

Median base salaries increased from the prior year and were proportionate to company annual revenues, except for the one respondent who was employed for a company with over \$10 billion in revenue. Median ranges are shaded and bolded in the following table.

VP Finance, Private Company		Company Annual Revenues						
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	7	11	3		1			22
\$126,000 – 150,000	9	8	6	2			1	26
\$151,000 – 175,000	3	9	9	1	1			23
\$176,000 – 200,000	2	3	8	1	1		1	16
\$201,000 – 225,000				1	6			7
\$226,000 – 250,000			2	3	2	1		8
Grand Total	21	31	28	8	11	1	2	102

Bonus percentages for private-company VPs of finance varied.

VP Finance, Private Company		Company Annual Revenue						
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
No response	2							2
None	1	1	2					4
Bonus based on other calculation	1	2						3
Discretionary bonus	5	7	5	1				18
Up to 10% of salary			1	1	3			5
11 – 20% of salary	4	5	6		4			19
21 – 30%	5	6	9	2				22
31 – 40%		6	2	1		1	2	12
41 – 50%	2	2	2	1	3			10
51 – 60%		1	1	2	1		1	6
61 – 70%		1						1
Grand Total	20	31	28	8	11	1	3	102

Director Level, Private Company

The annual compensation for the 32 director-level employees (i.e., director of finance, director of accounting) from private companies includes both a base salary and a bonus opportunity. Average total compensation for the sample is \$184,000, of which \$148,900 relates to base salary. Company annual revenues appear to have less bearing on director-level compensation, compared with other private-company financial executive positions. Averages, based on company annual revenues, follow.

Director Level, Private Company – AVERAGE Annual Compensation							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	Over \$5 billion	Over \$10 billion	Overall
Number of responses	3	7	11	3	5	3	32
Salary	131,300	147,100	136,600	163,500	186,000	139,000	148,900
Salary + Bonus	131,300	180,400	180,400	182,400	232,900	178,400	184,000

The median base salaries of directors are also relatively consistent, regardless of company size.

Director Level, Private Company	Company Annual Revenues						
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	2	2	4	1			9
\$126,000 – 150,000		2	5	1		3	11
\$151,000 – 175,000	1	2	1		2		6
\$176,000 – 200,000		1	1		2		4
\$201,000 – 225,000					1		1
\$226,000 – 250,000				1			1
Grand Total	3	7	11	3	5	3	32

Bonus percentages vary, although most percentages do not exceed 20 percent of base salary.

Director Level, Private Company	Company Annual Revenues						
Annual Bonus	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	Over \$5 billion	Over \$10 billion	Grand Total
None	2		1				3
Discretionary bonus	1	1		1			3
Up to 10% of base salary		1	6				7
11 – 20% of base salary		2	1	2	1	1	7
21 – 30%		1			3		4
31 – 40%		1			1	2	4
41 – 50%			1				1
51 – 60%			1				1
71 – 80%		1					1
91 – 100%			1				1
Grand Total	3	7	11	3	5	3	32

Divisional/Regional CFO, Private Company

The average total compensation for the 25 divisional/geographic/regional CFOs from private companies is \$240,200, of which \$171,000 corresponds to base salary. Details, organized by company annual revenues, follow below.

Divisional/Geographic/Regional CFO, Private Company – AVERAGE Annual Compensation								
	Company Annual Revenues							
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Number of responses	4	4	7	5	3	1	1	25
Salary	145,800	139,900	180,400	178,700	239,000	139,000	189,000	171,000
Salary + Bonus	174,000	174,800	237,500	266,700	406,300	173,800	387,500	240,200

With the exception of two responses, the median annual salary is proportionate to the company annual revenues and generally increased from last year. The median salary ranges are bolded and shaded.

Divisional/Geographic/Regional CFO, Private Company		Company Annual Revenues						
Annual Base Salary	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Grand Total
\$100,000 – 125,000	2	1		1				4
\$126,000 – 150,000		2	1	1		1		5
\$151,000 – 175,000	1	1	3					5
\$176,000 – 200,000	1		1	1			1	4
\$201,000 – 225,000			2	1				3
\$226,000 – 250,000				1	2			3
Grand Total	4	4	7	5	2	1	1	24

Most respondents indicated bonuses that range from 21 percent to 50 percent of base salary.

Divisional/Geographic/Regional CFO, Private Company	Company Annual Revenues							Grand Total
	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	
Bonus based on other calculation	1	1						2
Discretionary bonus	1		1					2
11 – 20% of base salary				1				1
21 – 30%	1	1	3			1		6
31 – 40%		2	1		1			4
41 – 50%	1		1	3				5
51 – 60%			1					1
71 – 80%				1				1
Exceeds 100%					1		1	2
Grand Total	4	4	7	5	2	1	1	24

Treasurer, Private Company

The annual compensation for the 24 treasurers from private companies includes both a base salary and a bonus opportunity. For all private-company VPs of finance in the sample, the average total compensation is \$236,600, of which \$186,200 is the base salary.

Treasurer, Private Company – AVERAGE Annual Compensation						
	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Overall
Number of responses	4	4	6	8	2	24
Salary	145,800	195,300	152,700	229,600	176,500	186,200
Salary + Bonus	171,600	238,400	196,400	310,800	186,900	236,600

The median salary ranges are shaded and bolded. The overall median salary is consistent with last year's figures.

Treasurer, Private Company						
Annual Base Salary	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Grand Total
\$100,000 – 125,000	2		2	1		5
\$126,000 – 150,000		1	1		1	3
\$151,000 – 175,000	1		2	2		5
\$176,000 – 200,000	1	1		1		3
\$201,000 – 225,000		1	1		1	3
\$226,000 – 250,000		1		1		2
\$251,000 – 275,000				2		2
>\$401,000				1		1
Grand Total	4	4	6	8	2	24

The annual bonus percentages of private company treasurers varied.

Treasurer, Private Company						
Annual Bonus	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Grand Total
Bonus based on other calculation	1				1	2
Discretionary bonus	1		1	1		3
Up to 10% of base salary	1	1				2
11 – 20% of base salary		1	1		1	3
21 – 30%	1	1		3		5
31 – 40%		1	2	1		4
41 – 50%			1			1
51 – 60%			1	2		3
91 – 100%				1		1
Grand Total	4	4	6	8	2	24

Other, Private Company

The following table provides average base salaries and total pay, defined as salary plus bonus for other titles identified in the survey. Manager base salaries have increased from the prior year.

Private Company - AVERAGE Annual Compensation	Less than \$25 million	\$25-99 million	\$100-499 million	\$500-999 million	\$1-4.9 billion	Over \$5 billion	Over \$10 billion	Overall
Manager title (i.e. manager of finance, accounting, etc.)								
Number of responses			2	1	2		1	6
Salary			112,500	189,000	112,500		139,000	129,700
Salary + Bonus			112,500	198,450	115,310		173,750	138,000
Assistant Controller								
Number of responses			1	1	2			4
Salary			112,500	112,500	125,750			119,100
Salary + Bonus			112,500	112,500	143,130			127,800
Chief Auditor/VP Internal Audit								
Number of responses					3			3
Salary					182,330			182,330
Salary + Bonus					240,520			240,520
Chief Operating Officer								
Number of responses	5	8	7		1			21
Salary	218,200	205,880	229,640		289,000			220,700
Salary + Bonus	279,360	284,170	265,970		390,150			282,000
President and/or Chief Executive Officer								
Number of responses	6	5	1					12
Salary	219,750	196,900	325,000					219,000
Salary + Bonus	238,610	262,380	503,750					270,600
Assistant Treasurer								
Number of responses					3			3
Salary					205,670			205,700
Salary + Bonus					257,080			257,100
Chief Tax Officer/VP Tax								
Number of responses				1	1			2
Salary				163,000	213,000			188,000
Salary + Bonus				204,565	213,000			204,565
Divisional Controller*								
Number of responses		2	8	1	1		1	13
Salary		112,500	122,400	139,000	112,500		139,000	122,700
Salary + Bonus		118,100	152,000	173,800	129,400		173,800	148,400
Chief Accounting Officer								
Number of responses		3		1	2	1		7
Salary		174,000		139,000	229,000	214,000		190,400
Salary + Bonus		255,900		187,600	309,100	288,900		266,100
*One response did not indicate company size and thus is not included in this table.								

Nonprofit Entities

Of the 96 respondents from nonprofit entities, a majority (59 members or 61 percent) held the title of corporate CFO. The most important areas of responsibility for these CFOs were (in descending order): budgeting, accounting and reporting, treasury and finance, tax, and risk management and insurance. Only 13 individuals in this sample received any type of long-term compensation.

The average total annual compensation for nonprofit CFOs was \$222,548 (\$195,552 base salary plus \$33,314 bonus). This represents an increase from last year's median salary range for nonprofit organizations. The top two performance measures for annual compensation were company goals/objectives and individual goals/objectives. The average salary increase for those employed with nonprofits is 4.54 percent.

Most respondents were eligible for a defined-contribution plan with employer matches, ranging from 2 percent to over 6 percent. A majority of nonprofits do not have defined-benefit plans, although 37 companies do offer them. The perquisites most often cited by respondents were company cars or car allowances (14) and executive physicals (12).

Governmental Entities

The annual compensation for the 21 financial executives from government consists of base salary plus bonus. Most respondents (17) were from internationally based entities, where the number of finance/accounting function employees was specific to each organization. Only two individuals in this sample received any type of long-term compensation. However, more than half are entitled to receive monthly retirement benefits from a company defined-benefit plan. The perquisite most often cited by respondents is a company car or car allowance.

Of the 21 total respondents, 11, or 52 percent, had a title of corporate CFO. The key areas of responsibility for these CFOs were (in order of prevalence): accounting and reporting, budgeting, treasury and finance, risk management and insurance, and administration.

The average CFO's total annual compensation was \$184,233 (\$155,867 base salary plus \$28,367 bonus). This represents an increase from last year's median salary range for CFOs in government. The critical performance measures for annual compensation were, in order of importance: company goals/objectives; individual goals/objectives; and department, group or business unit goals/objectives. The average salary increase for those employed with government entities is 4.52 percent.

Long-Term Incentives

Title or position is the primary criterion for determining if an individual is eligible for long-term incentives. Board/management discretion, as well as salary grade level, are key secondary criteria. Once eligibility is established, performance measures are used to determine the extent of an award. The specific measures are very similar to those used to determine annual pay, with company, individual and departmental/group/business-unit goals as the most common metrics.

Cash-Based

Respondents were asked to identify whether or not they were eligible to receive cash-based long-term incentive compensation. This is defined as including long-term awards payable in cash or another form, except equity. Of the total 1,931 respondents, only 383 individuals (20.3 percent) received this type of long-term pay – a decrease from the 409 individuals who received this type of pay last year. The likelihood of an individual to receive non-stock long-term pay increased incrementally, based on company size. The company type had no impact on long-term incentive eligibility.

The types of long-term incentives included:

- Return on net assets and/or equity;
- Profit sharing;
- Percentage of annual compensation deferred until termination or retirement;
- Up to 40 percent incentive over a two-year cycle, with portions paid annually;
- Retention bonus;
- Fixed-exit bonus, plus a variable percentage of an increase in enterprise value;
- Total shareholder return, compared to industry total shareholder return over a three-year cumulative period; and
- Bonus upon the sale of the business.

Stock-Based

Respondents were also asked to identify whether or not they were eligible to receive stock-based, long-term incentive compensation. Stock-based awards decreased from the prior year, with a total of 603 respondents noting that their target award is based on a fixed number of shares or units. Meanwhile, 367 noted that the target award is based on another type of calculation. Of those who have received some type of stock-based pay, most are from public companies (67 percent). The types of awards are listed as follows, in order of prevalence:

- Stock options (70.6 percent public companies, 58.3 percent private companies);
- Restricted stock/restricted stock units (57.6 percent public, 21.8 percent private);
- Performance stock/units (16.3 percent public, 9 percent private);
- Phantom stock/units (3.1 percent public, 12.5 percent private); and
- Stock appreciation rights (SAR) (6.1 percent public, 6.2 percent private).

The use of restricted stock, performance stock, and SAR is proportionate to company size. Of the 289 individuals who receive dividends or dividend equivalents on stock-based awards, 83 percent are from public companies.

Retirement and Other Benefits

Most respondents (1,471 or 77 percent) work for companies with defined-contribution plans that provide an employer match on employee contributions. However, there are more public companies that provide a match of 6 percent or more. This is demonstrated by the average match of 4.11 percent for public companies and 3.31 percent for private. The average match is also directly proportionate to company annual revenues.

Only 438 of those surveyed (a majority, 56 percent, from public companies) are eligible to receive monthly benefits from their company's defined-benefit plan. Interestingly, this represents an overall increase from the prior year's survey, as well as an increase in the private-company respondents who said they are entitled to monthly retirement benefits.

However, the overall number of supplemental retirement plans is less than the prior year: a significant majority (1,492 respondents) is not entitled to receive additional monthly retirement benefits. Among those who do receive additional retirement benefits, the distribution of supplemental plans is as follows: supplemental defined-benefit/pension plan (134 responses); supplemental defined-contribution/401(k) plan (137 responses); and both supplemental defined-benefit and -contribution plans (70 responses). A majority of those who have these supplemental plans work for public companies.

The following list details all the perquisites that respondents mentioned. The use of perks has decreased slightly overall. The type of company typically had no bearing on the perquisites financial executives received. The most commonly reported perks include:

- Company car or car allowance (563 responses or 29 percent);
- Executive physicals (375 or 19 percent);
- Health/fitness club (253 or 13 percent);
- Personal, financial, or tax advice (213 or 11 percent);
- Country-club membership (137 or 7 percent);
- Dining-club membership (67 or 4 percent);
- Personal use of property owned or leased by the company (63 or 3 percent); and
- Reimbursement of housing and other living expenses (29 or 2 percent).

The use of employment contracts has also decreased slightly from the prior year. For financial executives with an employment contract, the specific elements in that contract include:

- Change-in-control severance benefits (597 responses, or 31 percent);
- Severance benefits, other than change-in-control (503 or 26 percent);
- Minimum or guaranteed level of compensation (183 or 10 percent);
- Tax gross-ups or other reimbursement of taxes owed with respect to compensation and benefits (74 or 4 percent); and
- Reimbursement of housing and other living expenses (28 or 2 percent).

About the Author

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