

## IMA 2012 SALARY SURVEY

# LEANING INTO THE WIND

By Lee Schiffel, CGFM; David L. Schroeder; and Kenneth A. Smith

Though last year was perhaps the least tumultuous year since the Great Recession began in 2007, it doesn't mean things were great in 2012. Ongoing financial struggles in Europe, geopolitical struggles in countries such as Syria and Egypt, and political struggles in the U.S. Congress all made for a challenging time. The year ended with President Obama being reelected and corporations holding record amounts of cash, often attributed to substantial economic and political uncertainty. With all this going on, we wonder if the winds of change have completely shifted toward a positive direction or whether the future will continue to feel like rough seas.

We look to the 24th annual IMA® Salary Survey to see how IMA members are faring in these complex times. Last year was the first time in the history of the salary survey that the average salary decreased from the previous year. This year, however, saw the biggest single-year gains since before 2007. The average salary of members responding to the 2012 survey was \$112,625, an increase of \$3,624 (3.3%) from the 2011 average of \$109,001. Even better, average total compensation increased \$6,063 (4.7%) from \$129,591 in 2011 to \$135,654 in 2012. This is the first time that average total compensation exceeded \$130,000. For the fifth consecutive year, neither change is statistically significant.<sup>1</sup> This is the third straight year that the percentage increase in average total com-

### How Did We Conduct the Survey?

The IMA salary survey was mailed to a random sample of 5,117 IMA members in early December 2012. The sample was designed to represent the IMA membership in the United States geographically. A follow-up survey was sent in January 2013 to those who hadn't responded to the first mailing. The sample size was selected to allow for a 95% confidence level of estimating the population mean within plus or minus 3% based on expected return rates.

A total of 1,178 questionnaires was returned, yielding an overall response rate of 23%. Of this number, there were 1,134 usable questionnaires representing 22.2% of persons surveyed. This response rate allows for a 95% confidence level for all data on the survey because those persons responding to the survey represented the IMA membership proportionately for those demographics maintained by IMA. Among the surveys that could not be used, roughly 2% reported being unemployed and 4% reported some combination of retired/part-time employment.

The response rates for the 2012 survey are the lowest in more than a decade. The 2011 and 2010 rates were 28% and 32%, respectively. Historically, response rates have fallen over the past 13 years from 41%/38% total/usable responses in 1999 to this year's low. Prior to last year, the lowest response rate was in 2004 (30%/28%). Despite the lower response rate this year, our confidence level remains at 95%, allowing us to estimate population means within plus or minus 3%.

pensation is greater than the change in average salary.

Fewer participants reported a salary increase in 2012 than in 2011, and the average amount of the increase received was a little less but still consistent with most prior years. This year, 66% of IMA members reported a raise. This is the same amount as two years ago and 4% less than last year's 70%. It's also less than the 74% of members who reported an increase in 2006 and 2007, but it's certainly better than the 46% from the low in 2009. The average amount for those receiving an increase was \$5,641, which is less than the \$6,135 average last year and the same as the roughly \$5,700 received during each of the prior three years.

The univariate statistics for the five most recent salary surveys (2008-2012) are shown in Table 1. None of the changes is statistically significant at the 95% confidence level. For the mean (i.e., average) salary and total compensation, 2012 has the largest year-

**Table 1: COMPARISON OF UNIVARIATE STATISTICS FOR 2008-2012**

Years	Range	Mean	Median	20th percentile	80th percentile
<b>Average Salary</b>					
2012	\$ 6,000 to \$650,000	\$112,625	\$100,000	\$72,000	\$146,000
2011	\$20,000 to \$600,000	\$109,001	\$ 98,026	\$71,000	\$138,000
2010	\$28,000 to \$900,000	\$109,265	\$ 98,000	\$72,000	\$139,000
2009	\$21,000 to \$465,000	\$105,850	\$ 94,900	\$70,000	\$135,500
2008	\$20,000 to \$825,000	\$104,092	\$ 93,505	\$68,800	\$131,325
<b>Average Total Compensation</b>					
2012	\$ 6,000 to \$1,030,000	\$135,654	\$110,000	\$75,000	\$176,000
2011	\$30,000 to \$ 900,000	\$129,591	\$106,965	\$75,000	\$165,000
2010	\$28,000 to \$1,000,000	\$128,486	\$105,000	\$74,500	\$160,000
2009	\$21,000 to \$ 900,000	\$123,357	\$100,700	\$72,500	\$154,600
2008	\$20,000 to \$ 920,000	\$122,614	\$102,325	\$70,000	\$154,130

to-year increases in terms of both dollars and percentages. The median increases in 2012 are second best over the past five years, trailing 2010. The increases weren't felt equally by participants at the top and bottom. The 20th

percentile saw only a \$1,000 increase in salary to \$72,000 and no change in total compensation at \$75,000. The 80th percentile reported an \$8,000 increase in salary and an \$11,000 increase in total compensation. Over the last five years, the real U.S. GDP grew by less than 1%. In that time, the 20th percentile grew 5% in salary and 7% in total compensation, and the 80th percentile grew 11% in salary and 14% in total compensation. Participants in the IMA survey have done quite a bit better than the overall economy over the past five years.

Demographic information regarding the "average" IMA member in 2012 is shown in Table 2. These demographics will be used to make comparisons between this year's compensation figures and those of the prior 23 years to identify changes, track trends, and provide insight regarding the compensation of the IMA membership.<sup>2</sup> Though the profile this year is very similar to the past five years, let's look at a few highlights for 2012.

**Table 2: "AVERAGE" IMA MEMBER**

	2012	2011	2010	2009	2008
Median age	49	48	50	48	48
Female	33%	34%	32%	34%	34%
Male	67%	66%	68%	66%	66%
<b>Degrees</b>					
Baccalaureate	99%	99%	99%	99%	99%
Advanced	54%	53%	54%	53%	51%
<b>Years of experience</b>					
Current position	7	7	6	6	5
Current employer	10	10	10	10	9
In field	21	20	21	20	20
<b>Family status</b>					
Married	82%	81%	82%	81%	80%
Spouse employed outside home	64%	63%	66%	64%	65%
Percent with children	58%	58%	66%	65%	58%
Average number of children	1.2	1.2	1.2	1.3	1.2
<b>Certification percentages</b>					
Any certification	72%	71%	72%	70%	69%
CMA	55%	54%	56%	54%	50%
CPA	34%	34%	35%	36%	36%
CFM	9%	8%	9%	9%	11%

◆ The median age rose by one year to 49 years old. The all-time high was 50 in 2010. There had been a gradual increase over the years: The average age of respondents in 2000 was 42, and it was 45 in 2005.

◆ This year, 67% of the participants are male and 33% are female, a proportion that has remained relatively consistent for the last five years.

◆ 54% of the participants have an advanced degree, which equals the all-time high from 2010. Since 2005, the percentage of participants with an advanced degree has increased all but one year.

◆ The average number of years in the field increased by one year to 21, while the number of years with current employer stayed at 10. The years in current position remained at seven, which is notable since it was five in 2007 and 2008.

◆ The percentage of married members increased 1% to 82%, just below the all-time high of 83% in 2004 and 2007. Spouses employed outside the home also increased 1% from last year, but the 64% of spouses working outside the home is below the high of 66% in 2010.

◆ At 58%, the percent of participants with children remains the same as last year and the level it was during 2005-2008. It had been 65%-66% in 2009 and 2010.

◆ 72% of participants have at least one professional certification, which matches the all-time high.

◆ The percentage of participants with certifications increased 1% for two of the accounting credentials tracked (CMA® and CFM®), though both are still 1%-2% below the all-time highs.

## Nature of Compensation Measures

Consistent with prior surveys, the definitions for the compensation terms are:

**Average salary**—the mean of all responding members' annual salary.

**Average total compensation**—the mean of all responding members' salary plus any additional compensation (bonuses, profit sharing, etc.).

**Average household income**—mean of all members' salary plus additional compensation plus spouse's base salary.

The proportion of IMA members who received additional compensation was 73%, up 2% from last year. This is consistent with the results since 2000. The range has been 67%-76%, with 2001's 90% as the only exception. The sources of the additional compensation are presented in Table 3. Consistent with prior years, bonuses and profit sharing account for a majority of the additional compen-

**Table 3: NATURE OF ADDITIONAL COMPENSATION**

Sources	Number	Percentage
Bonus	470	56%
Profit sharing	176	21%
Stock options	45	5%
Overload/Summer school teaching/Research	38	5%
Other	35	4%
Auto or auto allowance	25	3%
Overtime	23	3%
Tuition reimbursement	9	1%
Commission/Incentive pay	7	1%
Payment for unused vacation	5	1%

*73% of respondents reported additional income*

sation. The proportion of participants receiving either a bonus or profit sharing remained constant at 77%, but the mix changed with 4% more reporting profit sharing and 4% fewer reporting bonuses. Those reporting bonuses fell for the second year from 67% in 2010 to 60% in 2011 and now to 56% in 2012. On the other hand, profit sharing rose for the second year from 16% in 2010 to 17% in 2011 and now to 21% in 2012.

Whether employees are provided healthcare has been an ongoing topic of national policy discussions in the United States. Last year we added a new question to see the types of healthcare coverage IMA members had. Those reporting no coverage increased from 2% to 3%, and those with an HMO remained at 15%. Participants with a PPO (Preferred Provider) increased slightly from 51% to 52%, while those with a health savings plan fell slightly from 26% to 25%. Those listing some other plan fell from 6% to 5%. Thus, the types of coverage provided didn't change in any significant fashion, but the slight uptick in no coverage will be a pattern to watch.

The median amount of additional compensation for 2012 was \$13,000, and the mean amount was \$32,522. These are increases from last year of \$500 for the median and more than \$2,500 for the mean. The percentage of women receiving additional compensation fell 1% to 66%, while the percentage of men increased 6% to 77%. Yet women's average additional compensation for 2012 improved to 57% of men's (\$21,230 vs. \$37,413) from only 43% of that received by men last year (\$16,040 vs. \$36,885). While both men and women reported an increase in additional compensation, women's increased more than \$5,000 while men's went up a little more than \$1,400. The median amount of additional compensation

reveals a similar split (\$8,260 for women vs. \$16,149 for men), with both reporting gains of less than \$500. The differences in additional compensation between women and men are statistically significant except for the number who received additional compensation.

## Male/Female Compensation

The discrepancy in compensation between men and women has been one of the main focuses of this survey since its inception in 1989. Our measure of the salary gap is the percent of women's salary in proportion to men's salary: If women earn \$80,000 and men earn \$100,000, the salary gap is 80%. The changes in the salary and total compensation gaps aren't statistically significant from 2011, a trend that has continued for many years. Historically, the smallest gap in salary was 80% in 2006, and the smallest gap in total compensation was 76% in 2005.

Figure 1 shows a comparison of the average compensation of men vs. women for the past five years. The average salary and average total compensation for women is less than the respective amounts for men, and this has persisted since the first salary survey. In 2012, the salary gap is 78%, and the total compensation gap is 73%. The differences between men and women are statistically significant as they have been in the prior 23 years of the survey.

There is no change in the salary gap from last year, breaking a three-year trend of small improvements (0.3% to 0.8% per year). Total compensation, however, improved 1.7%, building on 2011's 0.4% improvement. Both gaps have returned to the same approximate level as 2007. In terms of dollars, the salary gap increased slightly from \$25,572 last year to \$26,470 this year, reversing two years of decline. The dollar difference in total compensation fell slightly for the second straight year, going from \$40,744 in 2011 to \$39,994 in 2012.

As mentioned previously, 66% of IMA members reported receiving salary increases in 2012. Slightly more women than men reported salary increases (75% vs. 73%). This is an increase of 5% for both women and men, but the average salary increases reported by women are less than those reported by men (\$4,754 vs. \$6,083), as are the median amounts of the raises (\$3,032 vs. \$3,900). The average salary increase for both women and men declined a little, with women reporting \$562 less and men reporting \$479 less. For the median, the women had a small increase of just \$32, and the men saw a \$100 decrease. The amount of the increase in average salary by gender is considered statistically significant.

Some of the differences in compensation between men

**Figure 1: AVERAGE SALARY AND TOTAL COMPENSATION BY GENDER**



and women could be impacted by the differences in the demographic characteristics of men and women that appear in Table 2:

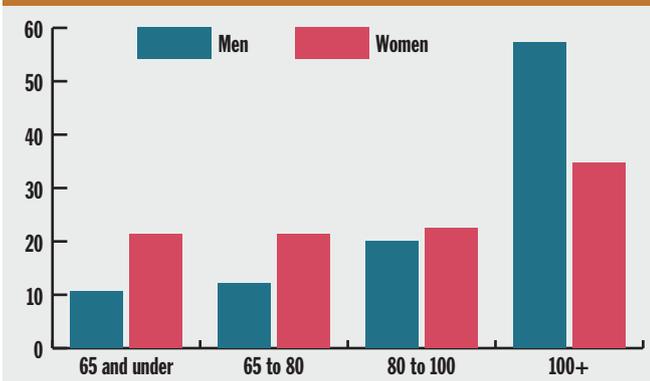
- ◆ Women are younger than men (46 vs. 49), which is statistically significant.
- ◆ Women are less likely to have advanced degrees (51% vs. 56%), which isn't statistically significant.
- ◆ Women are less likely to have any kind of certification (66% vs. 75%), which is statistically significant.
- ◆ Women have less experience than men as measured by years in the field (19.1 vs. 23), years in their current position (6 vs. 7), and years with their current employer (9 vs. 11). These differences are similar to last year, though men are two years older and have two more years of experience than last year's male participants. All of these differences are statistically significant.

Further evidence of the salary gap is reflected in Figure 2, where 57% of men have salaries of \$100,000 or more while only 34% of women have salaries greater than \$100,000. The men earning more than \$100,000 increased 3.9% from 2011 while women in that category increased 4%. As in past years, the proportion of women exceeds men in all the categories below \$100,000.

The median salary is \$110,000 for men and \$88,000 for women, a difference of \$22,000. This represents increases over last year of \$5,000 for men and \$4,000 for women. The difference between men and women is statistically significant, but the changes from 2011 are not.

Because of rising salaries, we changed the two lower salary ranges in Figure 2. Historically, the categories were "below \$60,000" and "\$60,000 to \$80,000." This year, we

**Figure 2: PERCENTAGE OF MEN AND WOMEN IN SALARY RANGES**



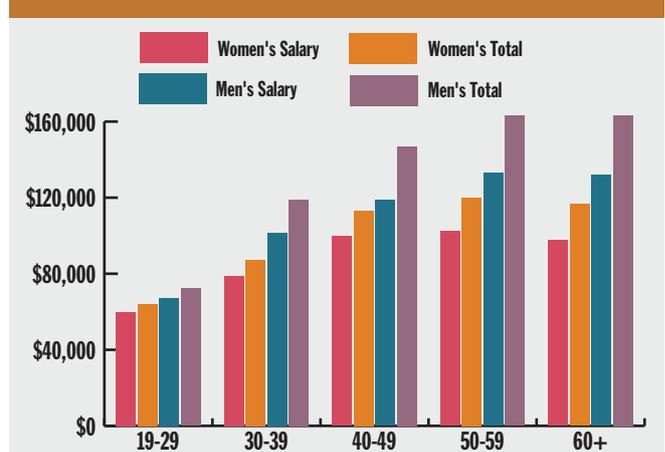
raised the \$60,000 dividing line to \$65,000. Be aware of the slight difference as we compare the results in those categories this year to previous years.

Compared to last year, there are fewer female participants in the middle two groups: 2.6% less in the \$65,000 to \$80,000 and 2.3% less in the \$80,000 to \$100,000 group. These declines led to the 4% increase in those earning more than \$100,000 and the 0.9% increase in the below \$65,000 category. The male participants also had fewer respondents in the two middle groups (5.2% less in \$65,000-\$80,000 and 2.1% less in \$80,000-\$100,000), but they saw larger increases in the lowest group (3.4% more in below \$65,000), resulting in 3.9% more in the over \$100,000 group.

Figure 3 shows the comparison of average compensation by gender and age categories. Consistent with prior years, the average salary and average total compensation for women is less than that of their male counterparts for every age category. The only time women's compensation exceeded men's was in 2004 for the 19-29 age category. The average total compensation for women for every age

**In terms of dollars, the salary gap between women and men increased slightly from \$25,572 last year to \$26,470 this year, reversing two years of decline.**

**Figure 3: AVERAGE SALARY AND TOTAL COMPENSATION BY AGE AND GENDER**



category (\$109,158) is less than the average salary of men (i.e., without adding the men's additional compensation: \$121,896). The proportion of men and women in each age category is similar to last year. There were 3% fewer women participants in the 19-29 category this year and 3% more participants in the 40-49 category. No other category of women changed by more than 1%. The men saw decreases of approximately 4% in both the 30-39 and 40-49 categories and increases of 4% in the 50-59 and over 60 categories.

During the past three years, most age groups have seen increases one year followed by small changes or decreases the next year. The same happens again this year. The groups that had increases last year were both genders in their 20s and 30s along with women in their 50s. This year, women and men in their 20s and women in their 30s were flat or down. Men in their 30s didn't have an increase in salary, but their compensation increased almost \$14,000. Women in their 50s had a decrease in their salary of about \$2,700 but an increase in their total compensation of almost \$2,000.

The groups that declined last year (both genders in their 60s, men in their 50s, and women in their 40s) saw increases of more than \$5,000 in both salary and total compensation. Those in their 60s led the way with increases of more than \$10,000 in salary (\$12,903 for women and \$19,849 for men) and more than \$25,000 in total compensation (\$27,859 for women and \$33,579 for men). It's difficult to interpret whether these big swings the past three years are closely related to the recession and recovery or to random factors. It does appear that compensation is getting better for most age groups within IMA. Compared to two years ago, the total compensa-

**Table 4: COMPENSATION COMPARISONS BY YEARS IN THE FIELD**

	Women		Men		All	Women as a percent of men
<b>Average Salary</b>						
1 to 5	\$ 72,543	[25]	\$ 69,397	[57]	\$ 70,356	104.5%
6 to 10	\$ 88,906	[54]	\$ 96,142	[66]	\$ 92,886	92.5%
11 to 15	\$ 89,566	[56]	\$115,274	[100]	\$106,045	77.7%
16 to 20	\$ 92,781	[77]	\$119,069	[107]	\$108,068	77.9%
More than 20	\$103,481	[169]	\$134,811	[428]	\$125,942	76.8%
<b>Average Total Compensation</b>						
1 to 5	\$ 79,895	[25]	\$ 73,809	[59]	\$ 75,620	105.7%
6 to 10	\$116,059	[54]	\$110,056	[66]	\$112,757	102.9%
11 to 15	\$ 99,162	[56]	\$144,323	[100]	\$128,111	77.4%
16 to 20	\$102,397	[77]	\$145,564	[107]	\$127,499	80.3%
More than 20	\$117,939	[169]	\$167,374	[433]	\$153,496	76.8%

*Number of responses shown in brackets.*

tion for all groups but one (men in their 40s) is larger by an average of \$8,500 for women and \$7,500 for men.

Traditionally, the salary gap is smallest in the younger categories and then widens in each successive age range. The trend continues this year in all but one age category: Women in their 40s had a smaller salary gap (84%) than women in their 30s (78%), 50s (77%), or 60s (74%). This pattern is similar to last year when the salary gap for women in their 50s was smaller (83%) than for those in their 40s (74%) and 30s (79%). The gap for women in their 20s was 88% two years ago and 92% last year. It fell back to 89% this year. In terms of total compensation, the overall gap was 72% last year and improved to 73% this year. The total compensation gap was 89% for women in their 20s and more than 71% for the other four age groups (30s was 73%, 40s was 77%, 50s was 74%, and 60s was 71%). This is the first time in several years that the compensation gap was better than 70% for all categories.

As stated previously, female participants are younger than their male counterparts. This is borne out by a comparison of the proportion of women and men in each of the age categories. The proportion of women in the three younger categories (19 through 49) exceeds that of men (57% vs. 45%). This is a notable change from last year, when the gap was only 3% (57% vs. 54%) in the three younger categories. Historically, about 10% of participants didn't provide their age, but this year only 4% didn't provide their age.

Table 4 presents compensation by gender according to five groups of "years in the field" categories. Breaking a long-standing pattern of men always earning more than

women, this year female participants earned more total compensation than male participants in two of the five categories. The women earned more salary in one category. This is reinforced in the last column, which shows the compensation of women as a percent of men's compensation.

Five years ago, three of the five "years in the field" categories were at 85% or above for average salary. The last four years had no more than one category at 85% or higher. This year has two categories at 90% or better. Average total compensation has three categories exceeding 80% (1-5, 6-10, and 16-20 years), while there was only one that high last year. The 11-

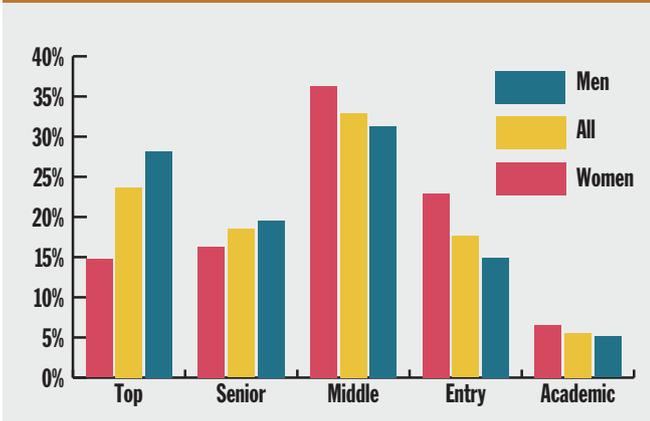
15 years category, which was 61% last year, improved to 77.4%.

These proportions by "years in the field" have changed a fair bit between 2010 and 2012. For all of the categories except more than 20 years, the proportions have fluctuated by at least 10%. When the proportions are averaged over the past three years, total salary is 87% and 86% in the lower two categories, respectively, and 76%-80% for the three more-senior categories. This three-year average is perhaps a more realistic view of the impact of years of service.

An interesting pattern is emerging for the cohort that had 6-10 years of service in 2009. That group reported less than 70% of men's total compensation in 2009. The pattern continued in subsequent years as some of those individuals moved into 11-15 years group, which reported less than 70% in total compensation for both 2010 and 2011. It's unclear why this group of women might be earning so much less than men, but it's a pattern we'll monitor in future surveys.

The three-year average for total compensation shows greater divergence over time than the pattern for average salary. Based on the strength of this year's total compensation for women, the three-year average has risen 9% to 88% in the 1-5 years of service category and is up 13% to 87% for 6-10 years. It falls to 70% for 11-15 years, which is 2% lower than last year. It's 76% for the 16-20 category and 74% for the more than 20 category, which were at 69% and 75%, respectively, last year. While our survey doesn't identify the causes, it appears that men with more than 10 years in the field establish a pattern of higher

**Figure 4: MANAGEMENT LEVEL BY GENDER**



total compensation than women. It will be interesting to see if this pattern holds or if the women currently in the 1-5 and 6-10 years groups, where the gap is smaller, will continue to earn more comparable amounts as they increase their years of service.

Figure 4 compares the proportion of women and men in various management levels. As in prior years, we continue to have higher proportions of men in the top level and higher proportions of women in the entry level and academia. In terms of the total number in each category, both men and women had bigger changes in middle management and smaller changes in the other categories. Men fell to 31.3% of middle management this year compared to 37.4% last year. Men increased 2% or less in each of the other categories. Women increased to 36.3% in middle management after two years at 32.6%. Women decreased by less than 1% in all of the other categories except the senior level, where they decreased from 19.9% to 16.3%.

The academic level remains small, and the percentage of women declined for the second year. Women were 8.2% in 2010, 7.2% last year, and 6.6% this year. Men were 6.2% in 2010, 4.5% in 2011, and rose a little this year to 5.1%. Many universities, especially ones funded by state taxes, have experienced budget cuts to areas like travel and professional support. Perhaps fewer academic members renewed their IMA memberships. Female professors have the potential to serve as positive role models for young women considering various careers, so a decline in their ranks (even if just disappearing from professional associations) may be a negative sign for the future. The 64 academics responding to the survey this year is similar to the total of 67 from last year, but there was a change across gender. Last year, there were 30 female participants and 37 male participants. This year

there were 25 women and 39 men.

Figure 5 presents the average salary and average total compensation by gender for each of the four management levels. Several changes have occurred in this data relative to last year, but one thing that hasn't changed is that average salary and average total compensation are less for women than for men at each level. The entry/lower level saw decreases across the board, and each succeeding level higher saw bigger gains than the level below. The only exception is top men, which still saw gains of \$4,000-\$5,000, though this was less than the senior men's gains of almost \$10,000 in salary and nearly \$20,000 in total compensation.

In the entry/lower level, women had declines of just \$15 in salary and \$981 in total compensation. This follows two years of gains of more than \$2,000 each year, so these women are better off than three years ago. Entry/lower-level men also had declines this year (\$2,503 in salary and \$1,262 in compensation) that offset net gains in the prior two years. The salary gap improved to 93% from 90% last year, and the compensation gap remained the same at 91%.

The middle-management level saw increases for both men and women, though men did better than women for the second straight year. Women had almost \$2,500 more salary and a modest \$1,100 increase in total compensation. Men, however, increased \$3,850 in salary and almost \$3,300 in total compensation. The gap in both salary and compensation got 1% worse. The salary gap went to 82% this year from 83% last year and 86% in 2010, while the total compensation gap went to 76% this year from 77%

**Figure 5: COMPENSATION BY MANAGEMENT LEVEL AND GENDER**

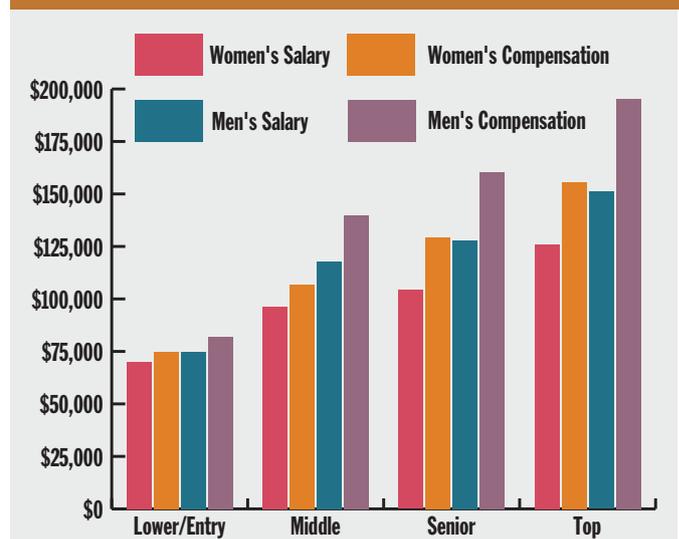


Table 5: COMPENSATION AND SUPERVISORY RESPONSIBILITY

Category	WOMEN			MEN			ALL		
	Average Salary	Total Compensation		Average Salary	Total Compensation		Average Salary	Total Compensation	
1. No supervisory responsibility	\$ 77,009	\$ 83,826	[93]	\$ 86,511	\$ 95,410	[144]	\$ 82,782	\$ 90,903	[237]
2. Some supervisory responsibility but not head of a major department	\$ 91,749	\$107,040	[110]	\$109,883	\$125,967	[196]	\$103,364	\$119,207	[306]
3. Head of a major department but do not report directly to CEO/Board	\$103,805	\$114,915	[79]	\$138,764	\$180,694	[151]	\$126,756	\$158,100	[230]
4. Head of a major department and report directly to CEO/Board	\$112,377	\$134,523	[86]	\$142,157	\$181,214	[230]	\$134,053	\$168,587	[316]
5. Little or no supervisory responsibility and report directly to CEO/Board	\$ 73,280	\$ 94,560	[10]	\$119,915	\$153,461	[29]	\$107,957	\$138,358	[39]

Number of responses shown in brackets.

last year and 80% in 2010.

The senior level had a second year of strong increases after a rough year in 2010. Salary was up almost \$1,100 for women and nearly \$9,800 for men. For total compensation, women went up \$9,760, while men improved more than \$19,000. The salary gap and compensation gap both widened to 81%. They had been 87% and 85%, respectively.

The top level saw very large gains for women and relatively modest gains for men. The salary for top-level women increased more than \$13,200, and their total compensation went up an incredible \$32,832. The total compensation increase for women was the first in two years. The men reported increased salary by slightly more than \$5,000 and total compensation by more than \$4,000. While these gains don't offset last year's decreases of \$9,000 and \$6,400, respectively, men in this level still report average salary exceeding \$150,000 and total compensation of more than \$195,000.

The salary gap for the top level improved to 83%. This is a big change, as it was 77% in 2011 and 68% in 2010. The compensation gap jumped all the way to 80% from 64% and 63%, respectively. For the top level, this gap means men received \$25,200 more in salary than women and \$39,600 more in total compensation. For the first time in several years, this isn't that different from the senior and middle levels, where the differences are \$21,000-\$23,000 in salary and \$31,000-\$33,000 in total compensation.

As stated previously, fewer women than men possess a professional certification (66% vs. 75%). When certification is examined by management level, the percentage of women with certification is at least 6% less at all levels. The percentage of men who possess a professional certifi-

cation essentially increases with management level, going from 62% at entry/lower level to 77% at the middle level, then down to 69% at the senior level before reaching 81% at the top level. This is the same general pattern as last year, though the senior level matched the middle level last year at 74%. Women have a similar pattern this year, moving from 52% at the entry/lower level to 71% at the middle level then down to 60% at the senior level and up to 70% at the top level. It's unclear why there are fewer certified participants in the senior level this year.

Given the dollar significance of certification—as seen in the salary calculator at the end of this article—the percentage of certified women is especially notable at the entry/lower levels. The difference between the genders in certification at the entry/lower level was 11% in 2010 and 2009. It shrank to 3% last year, but it has returned to 10% for 2012. We're discouraged that entry-/lower-level women fell back to the level from 2009, but certification percentages at the middle and top levels are encouraging.

Table 5 presents compensation for women and men according to participants' perceived level of supervisory responsibility. In a change from the last three years, the highest average salary and total compensation for women is in supervisory category 4 (Head of a major department and report directly to CEO/Board). It had been category 3 (Head of a major department but do not report directly to CEO/Board). As in past years, men continue to report the highest salaries in supervisory category 4. Different this year, however, is that men also report the highest total compensation in category 4. It had been a little higher for men in categories 3 and 5 (Little or no supervisory responsibility and report directly to CEO/Board).

Category 5 has a small number of participants: 29 men

and 10 women (compared to 29 men and 27 women last year). The participants have varied the past two years with gains of more than \$10,000 in salary and total compensation two years ago offset by decreases last year of more than \$18,000 for each category for both men and women. The salary gap is 61% this year vs. 81% last year and 72% two years ago. The total compensation gap is 62% this year vs. 80% last year and 57% two years ago. Given the small number of participants, the big changes might be due more to the sample size than the economy.

For all five categories, the compensation of women participants is less than that of men. Women's compensation is closest to men's in categories 1 (No supervisory responsibility) and 2 (Some supervisory responsibility but not head of a major department), with average salaries at least 80%. This is a change for category 3, which had also been above 80% the past two years. For average total compensation, the percentages were above 80% this year for two categories. Last year there was only one category above 80%. Category 4 saw a reduced salary gap for the second straight year, going from 71% in 2010 to 75% in 2011 to 79% this year. The total compensation gap improved from 67% and 66% the last two years to 74% this year.

A majority of the participants have supervisory responsibility (categories 2, 3, and 4), and proportionately there are more men than women (77% vs. 73%) in these positions, which is a gain of 4% for women and a drop of 2% for men vs. last year. The difference in supervisory roles across genders has never been lower.

To summarize, we have examined a number of differences between the compensation of women and men:

- ◆ Compensation by age category (Figure 3).
- ◆ Compensation by "years in the field" categories (Table 4).
- ◆ Compensation by management level (Figure 5).
- ◆ Compensation by supervisory responsibility (Table 5).

Except for the 1-5 and 6-10 "years in the field" categories in Table 4, the compensation of women is less than that of men, and these differences are statistically significant. Thus, there continues to be a salary gap between women and men.

## Compensation and Certification

The impact of certification on the average salary and average total compensation is illustrated in Table 6. The higher earnings for certified participants holds true for all participants and for each of the five age categories presented in the table.

Similar to the past six years, the average compensation

**The one thing that has been enormously consistent is that each certification appears to add around \$10,000 in additional compensation.**

tends to increase for each age category through the 40-49 group. One change is that the 2012 data shows some of the 60 and over groups earning more in both average salary and average total compensation than the 50-59 groups. The 60 and over groups had been trailing the 50-59 groups the last two years. This year the pattern of higher pay at higher ages extends across all certification categories except the 50-59 group for CPAs and for those with both the CMA and CPA.

For all five age categories, the average salaries and average total compensation for those with no CMA or CPA are less than those of their counterparts who are CMAs, CPAs, or both. Thus, the differential enjoyed as a result of obtaining professional certification follows individuals throughout their careers and affects their earning power. As in past years, the dollar amount of the "certification bonus" appears at the very beginning of participants' careers and increases with age. Certified individuals ages 19-29 earn \$20,579 more in salary and \$25,754 more in total compensation than their noncertified peers. Last year the dollar amount of the salary differential was highest for the 50-59 age group, and the highest total compensation differential was for the 40-49 age group. There's a virtual tie this year among the 40-49 age group and those 60 and over. When certified, both groups earn around \$33,000 more in salary and around \$55,000 more in total compensation. These are bigger gaps than last year, when the salary gap for certification was around \$25,000 and the total compensation gap was around \$40,000.

Table 6 also allows us to rank the impact that certification (CMA, CPA, or both) has on average salary and average total compensation. The "double bonus" of the CMA/CPA dual certification continues to appear in the data, and both are still a positive influence in the salary calculator at the end of this article. For the three younger age groups (19-29, 30-39, and 40-49), the dual certifica-

Table 6: COMPENSATION BY AGE AND CERTIFICATION

## AVERAGE SALARY

Age Range	All	No CMA or CPA	CMA	CPA	Both CMA and CPA
19-29	[36] \$ 65,693	[14] \$ 53,117	[16] \$ 72,521	[3] \$ 75,500	[3] \$ 78,160
30-39	[169] \$ 92,369	[65] \$ 83,275	[57] \$ 95,145	[17] \$ 93,699	[30] \$106,046
40-49	[308] \$111,863	[84] \$ 87,871	[113] \$115,396	[36] \$125,312	[75] \$126,955
50-59	[372] \$122,841	[82] \$104,975	[146] \$124,358	[55] \$131,488	[89] \$131,470
60 and over	[151] \$125,033	[53] \$102,646	[31] \$131,310	[33] \$157,727	[34] \$122,474
All	[1,036] \$112,940	[298] \$ 92,570	[363] \$115,290	[144] \$130,329	[231] \$124,686

## AVERAGE TOTAL COMPENSATION

19-29	[36] \$ 70,516	[14] \$ 54,778	[16] \$ 78,667	[3] \$ 81,433	[3] \$ 89,577
30-39	[170] \$106,339	[65] \$ 95,868	[58] \$105,575	[17] \$112,131	[30] \$127,218
40-49	[308] \$134,586	[84] \$ 94,860	[113] \$134,530	[36] \$161,890	[75] \$166,058
50-59	[375] \$149,126	[83] \$124,023	[147] \$158,536	[56] \$151,574	[89] \$155,455
60 and over	[153] \$155,220	[53] \$118,552	[31] \$163,136	[34] \$213,031	[35] \$147,575
All	[1,042] \$136,027	[299] \$105,497	[365] \$139,578	[146] \$162,396	[232] \$153,191

Number of responses shown in brackets.

tion earns the largest salary and total compensation. For the two older age groups (50-59 and 60 and over), the CPA alone has the advantage for salary while the CMA has the advantage for total compensation for the largest group of participants, those 50-59.

Only three of the participants in the 19-29 group hold a CPA or both a CMA and a CPA. All of the certifications in the 19-29 group earn salary in the \$70,000 range. Their total compensation is in the \$80,000 range, while those with just the CMA are close behind at nearly \$79,000.

When comparing CMAs to CPAs, the CMAs earn about \$10,000 less in half the groupings. The CMAs report more total compensation in the 50-59 age range and more salary in the 30-39 range. Among the participants who are 60 or older, the CPAs report about \$25,000 more in salary and almost \$50,000 more in total compensation.

We advise the reader to be cautious in drawing conclusions. Across the eight years that we have reported this data, there has been a good amount of variability. It's critical to remember that the CMA and CPA represent different skill sets and that in any given year the market may demand more or less of that skill set. The dual-certification holder would presumably have a wider range of skills. This may be particularly important in the earlier years of someone's career. The one thing that has been enormously consistent is that each certification appears to add around \$10,000 in additional compensation.

Only 9% (104) of our 2012 respondents are CFMs, with 82% of those respondents being 40-59 years old. Inclusion of these responses in Table 6, especially when broken down by the other variables analyzed in the table, would potentially compromise respondents' confidentiality. The average salary and average total compensation of those with the CFM are \$115,436 and \$141,385, respectively, which, compared to 2011, represents decreases of nearly \$10,000 in average salary and \$23,000 in average total compensation. In most prior years, CFMs have reported average salaries and average total compensation significantly greater than the respective figures for those with the CMA, CPA, or both. This year, the CFMs report figures very similar to CMAs and lower than CPA and CMA/CPA respondents.

## Compensation and Degrees

IMA members are generally well educated, as indicated in the demographic statistics in Table 2. Table 7, reporting the average compensation for each educational level, reveals that an overwhelming majority of participants (all but seven) have at least a baccalaureate (i.e., bachelor's) degree. As in past years, average compensation increases as education increases.

For the second year, participants who have less than a bachelor's degree (0.6% of 2012 participants) experienced decreases: \$4,370 in average salary and \$10,148 in average

**Table 7: COMPENSATION BY HIGHEST DEGREE OBTAINED**

Highest Degree	Average Salary	Average Total Compensation	
Less than baccalaureate	\$ 69,434	\$ 70,858	[7]
Baccalaureate	\$107,161	\$126,892	[516]
Master's	\$117,262	\$143,232	[571]
Doctorate	\$126,883	\$152,875	[44]

*Number of responses shown in brackets.*

total compensation. These decreases are much smaller than last year's decreases of \$32,394 and \$48,859, respectively. The number of participants with less than a baccalaureate is very small, so these results should be interpreted with caution.

Those with doctorates (3.8% of participants) earned \$126,883 in 2012. This is the highest average salary among the four educational levels, but it's \$8,538 less than the \$135,421 earned in 2011. Those with doctorate degrees received average total compensation of \$152,875, an increase of \$7,914 from the prior year and the highest among educational levels. Following a decrease of \$31,200 in average total compensation in 2009, average total compensation has since increased a total of \$42,619. As in the past, the differences in average total compensation amounts by degree are statistically significant in 2012.

The average salary for those holding a baccalaureate degree increased by \$7,109. Those with a master's degree received an average salary increase of \$930. Both categories also reported an increase in average total compensation: \$10,637 for baccalaureates and \$1,195 for master's degrees. None of these changes from 2011 to 2012 is considered statistically significant.

## Compensation by Organization Structure

In Table 8 we present a comparison of average salary by two size factors—number of employees at one location (referred to as “location”) and number of employees for the entire organization (referred to as “organization”). Over time, there hasn't been a clear pattern for size factors by either location or organization. The largest average salary within location for 2012 is \$126,410 for participants at a location with 2,500 to 4,999 employees; the largest average salary by organization is \$117,118 for organizations with 100 to 499 employees.

The differences between the largest and smallest aver-

**Table 8: SALARY BY LOCATION AND ORGANIZATION SIZE**

Number of People	Employed at Location Average Salary	Employed in Entire Organization Average Salary
1 to 9	\$109,485 [78]	\$101,451 [48]
10 to 24	\$100,924 [80]	\$ 99,147 [43]
25 to 99	\$108,680 [265]	\$108,659 [149]
100 to 499	\$113,818 [364]	\$117,118 [252]
500 to 999	\$117,713 [127]	\$115,106 [99]
1,000 to 2,499	\$118,383 [95]	\$109,285 [102]
2,500 to 4,999	\$126,410 [55]	\$111,005 [86]
5,000 plus	\$115,827 [71]	\$115,932 [355]

*Number of responses shown in brackets.*

age salary by location and organization size are \$25,000 and \$18,000, respectively. Last year, the differences across the size categories were fairly large—\$38,000 by location and \$27,000 by organization. Of note for 2012 is that average salary both within location and within organization increased for all sizes except the 1,000 to 2,499 category and the 5,000-plus category. Percentage increases in 2012 average salaries by location size ranged from 4.5% to 9.7%; by organization size, the increases went from 1.2% (the next-lowest was 6.4%) to 10.5%. Given the economy as a whole, these increases appear to be fairly robust.

Average compensation by industry using SIC codes is provided in Table 9. The three largest groups of survey participants came from the same three industries as in 2011: manufacturing (27% of participants); services (22%); and finance, insurance, and real estate (7.1%). The average salary and average total compensation for manufacturing ranked eighth and seventh, respectively—down from fifth and third in 2011.

The service industry declined for the second straight year. In 2010, it was sixth in salary and seventh in total compensation. In 2011, it fell to seventh and 10th, respectively. This year, it is 10th in salary and 11th in total compensation. Note that public accounting is part of the service industry, and for the last two years it has ranked third in terms of average salary. In 2012, the total average compensation for public accounting improved from sixth to third. These rankings are still lower than in 2009 and 2010, when it was first in average salary and second in average total compensation. The averages for participants in finance, insurance, and real estate ranked fourth (up

**Table 9: COMPENSATION BY SIC AREA**

SIC	Average Salary	Average Total Compensation	
Agriculture, Forestry, Fisheries	\$111,918	\$143,500	[14]
Mining	\$137,278	\$162,828	[10]
Contract Construction	\$103,890	\$126,955	[33]
Manufacturing	\$113,125	\$138,651	[396]
Transportation, Communications, and Utility Services	\$110,956	\$139,699	[90]
Wholesale and Retail Trade	\$117,105	\$134,697	[80]
Finance, Insurance, and Real Estate	\$120,724	\$160,218	[103]
Services (all)	\$111,806	\$128,691	[319]
Medical/Health services	\$117,311	\$132,070	[73]
Educational services	\$ 95,652	\$102,221	[96]
Public Accounting	\$123,129	\$156,616	[48]
Other service SIC codes	\$117,082	\$136,672	[104]
Government	\$ 89,789	\$ 92,874	[51]
Nonclassifiable	\$125,213	\$150,565	[36]

Number of responses shown in brackets.

from eighth last year) in salary and second (no change) in total compensation.

Increases are reported for 2012 average salary and average total compensation in all major SIC areas, although the increases in the manufacturing sector were a negligible \$190 (0.17%) and \$339 (0.24%), respectively. This is a major change compared to last year, when there was an even split of increases and decreases. After suffering declines in three of the previous four years, finance, insurance, and real estate rebounded with a 14.2% increase in average salary and a 15% increase in average total compensation, the largest increases reported in 2012. Mining saw average salary increase by 12.4%, while wholesale and retail trade and transportation, communications, and utility services had increases of 11.9%.

Overall, the service sector showed a modest gain of 1%

**Table 10: COMPENSATION AND BUSINESS STRUCTURE**

	Average Salary	Average Total Compensation	
Proprietorship	\$101,115	\$109,567	[15]
Partnership	\$131,308	\$158,922	[54]
Subchapter S Corporation	\$110,028	\$139,740	[163]
Family-Owned Corporation	\$105,089	\$123,236	[81]
Privately Held Corporation	\$113,846	\$131,888	[372]
Publicly Traded Corporation	\$116,996	\$148,815	[357]

Number of responses shown in brackets.

in average salary and 4.6% in average total compensation compared to 2011. A closer analysis of the service sector indicates the only decreases of 2012 are in educational services (-3.2% in average salary and -1.9% in average total compensation). Average salary increased in public accounting (4.8%) and medical/health services (4.5%). Public accounting; contract construction; and transportation, communications, and utility services all reported big gains of 20%-21% in average total compensation.

Table 10 presents compensation by business structure. Other than a 5% decrease from 2011 to 2012 in the average salary of proprietorships, all changes were positive. Average salary increases ranged from 1% (publicly traded corporations) to 13% (partnerships). Increases in average total compensation varied from 2% (proprietorships and publicly traded corporations) to 11% (partnerships). Family-owned corporations posted a 10% increase in average total compensation. The difference in average total compensation between the highest (partnership, at barely less than \$159,000) and the lowest (proprietorship, at about \$109,500) structures was more than \$49,000 this year, which is about \$10,000 more than 2011, when the difference between the highest (publicly traded corporation, at about \$146,000) and the lowest (proprietorship, at slightly less than \$107,000) was a little more than \$39,000.

As in the past, the majority of participants work in either publicly traded (34%) or privately held corporations (36%). Last year, it was 38% public and 34% private. This is the first time in the last three years that those from privately held corporations outnumbered those from publicly traded ones. The relative distribution among these six business structures has been stable over time. Except for this year's 4% drop in participants at publicly traded corporations, there has been no more than a 2% change in any category in the last four years.

## Household Income

The average household income for all IMA member respondents—regardless of marital status—is \$165,313 in 2012, an increase of nearly \$7,000 from 2011's \$158,565. Female IMA members increased their average household income by a substantial 8.2% to \$151,197 in 2012 (vs. \$139,693 in 2011). The average household income for male IMA members increased 2.3% to \$172,426 (vs. \$168,505). None of these year-to-year differences between 2012 and 2011 is statistically significant.

**Figure 6: AVERAGE HOUSEHOLD INCOME OF MARRIED MEMBERS**



Figure 6 shows the household income for the married respondents. In 2012 the average is \$178,380, which represents a 4% increase from 2011. The household income of married men is greater than that of married women (\$182,404 vs. \$168,966). This difference is statistically significant this year, as it has been since 2006. The household income for women increased \$12,768, or 8%, from 2011, while men’s household income increased \$3,653, or 2%. Neither of these 2012 changes in household income is statistically significant.

The household income for married members can be compared by three factors: gender, single- vs. dual-income households, and children vs. no children. The 2012 household income for dual-income married members rose to \$184,552, an increase of \$6,543 from 2011. Note that the survey data doesn’t distinguish which member in the dual-income households experienced a salary increase or decrease; it simply looks at average household income. The household income for single-income married members increased to \$168,996, up \$7,126 from 2011. This difference in average household income for single vs. dual income is statistically significant.

Each of these household income measures (single vs. dual) can be examined by the gender of the IMA respondent. The average household income of single-income men is higher than that of single-income women (\$177,159 vs. \$130,566), a statistically significant difference. The average household income for single-income men increased \$6,420 (3.8%) in 2012. The average household income of single-income women increased \$13,183 (11.2%). In dual-income households, the male participants again report higher average household income than the female participants (\$187,002 vs. \$180,575). The change in average household income from 2011 to 2012

was 0.9% for men but 8.6% for women. This difference in dual-income households is not statistically significant across gender.

The effect of children on average household income can also be examined. This year’s responses indicate that single-income married members with children have an average household income of \$181,166; single-income married members with no children have an income of \$149,369. Compared to 2011 results, these numbers increased \$3,857 and \$11,293,

respectively. The average dual-income household with children reported income of \$185,380 in 2012; those without children reported an average income of \$182,910. The difference in average dual-income households of those with children and those without narrowed slightly this year.

## Compensation by Region, Responsibility, and Position

Table 11 presents the average salaries and standard deviations for the 50 states and Washington, D.C., grouped into seven geographical regions. For the third straight year, all seven regions have average salaries above \$100,000. The number of regions topping \$100,000 has been increasing since 2007, when there were only four. The West Coast region reported a 14% increase in average salary, giving it the highest average salary (\$132,423) for 2012. The Mid-Atlantic region came in second with a 4% increase that raised its average salary to \$123,969. The Northeast region slid from highest in 2011 to third-highest in 2012 due to a 5% decrease from \$125,488 last year to \$119,059 this year. The Mountain region also exhibited a decrease (3%) to an average salary of \$101,893, the lowest region in the country. The remaining regions had increases. The South went up 1%, while the Midwest and Plains regions each increased 3%.

All regions had a combination of some states that reported increases and others that reported decreases in average salary. The Northeast had only one state increase—Maine. Among the Mid-Atlantic states, there were five increases and three decreases. Six states in the South had increases, and three had decreases. Of the Midwest states, only Indiana had a decrease in average salary. In the Plains region, Kansas increased 28%, and

Table 11: AVERAGE SALARY BY STATE

	Average Salary	Standard Deviation	
<b>Northeast Region</b>	<b>\$119,059</b>	<b>\$47,043</b>	<b>[62]</b>
Connecticut	93,807	30,915	[17]
Massachusetts	117,923	45,372	[28]
Maine	103,851	53,554	[8]
New Hampshire	*	*	*
Rhode Island	92,750	21,730	[6]
Vermont	112,169	7,438	[3]
<b>Mid-Atlantic Region</b>	<b>\$123,969</b>	<b>\$56,274</b>	<b>[207]</b>
Washington, D.C.	124,180	31,488	[5]
Delaware	158,211	99,403	[3]
Maryland	98,107	31,920	[11]
New Jersey	147,502	61,645	[42]
New York	123,712	65,224	[52]
Pennsylvania	118,060	47,488	[58]
Virginia	113,367	42,732	[30]
West Virginia	101,723	65,824	[6]
<b>South Region</b>	<b>\$106,451</b>	<b>\$42,853</b>	<b>[211]</b>
Alabama	105,746	42,494	[16]
Arkansas	127,178	17,584	[3]
Florida	106,250	45,717	[42]
Georgia	102,265	37,690	[30]
Kentucky	96,509	31,100	[14]
Louisiana	141,417	34,320	[6]
Mississippi	*	*	*
North Carolina	118,745	51,160	[51]
South Carolina	94,683	41,325	[23]
Tennessee	93,232	26,951	[26]

Texas increased 7%. The other three states had decreases. A 25% increase in Nevada almost outweighed the decreases in six of the seven other states in the region, including a 20% decrease in Colorado. And in the West Coast region, only Washington's average salary decreased. Because of small and disproportionate sample sizes, readers should be cautious in drawing conclusions from the state data.

Tables 12 and 13 present compensation data based on the participants' interpretation of where their specific job title falls within the responsibility areas and management levels in their organizations. Please remember that classifying job titles is always difficult because the duties and responsibilities—and where in the hierarchy of the organization they fall—vary from organization to organization.

Table 12 presents the compensation of participants

	Average Salary	Standard Deviation	
<b>Midwest Region</b>	<b>\$105,842</b>	<b>\$48,765</b>	<b>[356]</b>
Iowa	101,309	36,022	[20]
Illinois	131,789	60,007	[54]
Indiana	87,967	43,410	[29]
Michigan	104,002	44,137	[65]
Minnesota	106,075	45,945	[44]
Missouri	100,351	51,231	[23]
Ohio	103,756	41,236	[68]
Wisconsin	98,015	51,578	[53]
<b>Plains Region</b>	<b>\$108,143</b>	<b>\$40,870</b>	<b>[87]</b>
Kansas	134,740	57,060	[10]
North Dakota	93,580	66,196	[3]
Nebraska	90,074	34,691	[11]
Oklahoma	102,250	20,548	[8]
South Dakota	*	*	*
Texas	108,573	38,250	[55]
<b>Mountain Region</b>	<b>\$101,893</b>	<b>\$51,263</b>	<b>[77]</b>
Arizona	100,353	43,098	[21]
Colorado	93,807	30,915	[24]
Idaho	107,404	41,706	[6]
Montana	*	*	*
New Mexico	95,729	57,332	[7]
Nevada	137,375	113,907	[8]
Utah	97,586	30,000	[11]
Wyoming	*	*	*
<b>West Coast Region</b>	<b>\$132,423</b>	<b>\$74,780</b>	<b>[134]</b>
Alaska	267,500	258,634	[4]
California	139,104	61,587	[82]
Hawaii	*	*	*
Oregon	111,872	56,632	[24]
Washington	107,632	51,306	[24]

Number of responses shown in brackets.

\*Data not reported to protect confidentiality.

according to their classification of the responsibility area in which they work (the responsibility areas are ranked from highest to lowest according to average total compensation). The top and bottom areas have been fairly consistent over the past several years, though the participants in public accounting saw an average increase of \$9,435 in salary, while those in taxation increased by \$21,517 in total compensation. While these are big gains, these two groups didn't recover completely from the respective decreases of approximately \$18,000 in salary

**Table 13: COMPENSATION BY POSITION**

	Average Salary	Average Total Compensation		Average Salary	Average Total Compensation		
<b>Top-Level Management</b>	<b>\$143,881</b>	<b>\$182,161</b>	<b>[253]</b>				
Owner	140,150	175,098	[29]				
Chair of the Board	*	*	*				
Chief Executive Officer	140,458	202,208	[12]				
President	*	*	*				
Group President	*	*	*				
Corporate Secretary	*	*	*				
Corporate Treasurer	134,011	153,417	[8]				
Chief Financial Officer	140,400	173,300	[180]				
Executive Vice President	247,750	416,500	[4]				
Senior Vice President	183,014	244,023	[10]				
Principal	160,000	170,000	[5]				
Partner	137,380	246,980	[5]				
<b>Senior Management</b>	<b>\$120,916</b>	<b>\$151,318</b>	<b>[211]</b>				
Vice President	155,262	218,785	[48]				
Assistant Vice President	144,864	202,823	[11]				
Group Vice President	178,667	207,000	[3]				
Divisional Vice President	137,200	173,400	[5]				
Corporate Controller	105,084	121,782	[138]				
Consultant	123,925	150,258	[6]				
				<b>Middle Management</b>	<b>\$110,001</b>	<b>\$127,987</b>	<b>[371]</b>
				Assist. Corporate Controller	94,262	104,964	[22]
				Divisional Controller	117,397	141,814	[58]
				Plant Controller	99,317	110,888	[49]
				Director	134,166	166,001	[88]
				General Manager	119,126	138,651	[12]
				Manager	102,326	113,056	[119]
				General Supervisor	*	*	*
				Supervisor	74,685	78,024	[13]
				Chief Accountant	67,739	73,852	[10]
				<b>Lower Management/Entry Level</b>	<b>\$ 72,428</b>	<b>\$ 78,320</b>	<b>[200]</b>
				Staff Accountant	61,622	67,179	[38]
				Senior Accountant	67,199	70,355	[66]
				Economist	*	*	*
				Financial Analyst	79,106	87,126	[79]
				Systems Analyst	89,400	107,171	[5]
				Programmer	*	*	*
				Auditor	84,378	87,412	[12]
				<b>Academic Positions</b>	<b>\$100,253</b>	<b>\$107,286</b>	<b>[63]</b>
				Administrator	87,150	90,817	[3]
				Dean	*	*	*
				Department Chair	110,500	117,417	[6]
				Professor	109,617	116,332	[22]
				Associate Professor	110,080	115,444	[17]
				Assistant Professor	87,833	100,117	[6]
				Instructor	64,616	73,280	[9]
				<b>Other</b>	<b>\$ 78,491</b>	<b>\$ 85,651</b>	<b>[19]</b>

Number of responses shown in brackets.

\*Data not reported to protect confidentiality.

**Table 12: COMPENSATION BY RESPONSIBILITY AREA**

	Average Salary	Average Total Compensation	
General Management	\$141,576	\$183,630	[165]
Risk Management	\$133,058	\$178,690	[9]
Public Accounting	\$130,780	\$170,023	[37]
Finance	\$124,347	\$161,471	[193]
Information Systems	\$121,045	\$135,792	[28]
Internal Auditing	\$114,023	\$127,144	[24]
Budgeting and Planning	\$113,574	\$127,462	[58]
Corporate Accounting	\$109,854	\$128,672	[297]
Taxation	\$102,911	\$137,278	[9]
Education	\$ 99,863	\$107,126	[65]
Cost Accounting	\$ 92,087	\$101,552	[63]
Government Accounting	\$ 91,233	\$ 94,311	[40]
General Accounting	\$ 87,360	\$ 98,231	[152]
Personnel Accounting	*	*	*

Number of responses shown in brackets.

\*Data not reported to protect confidentiality.

and more than \$27,000 in total compensation from last year. General management remained in the top spot, as it has been for six of the last seven years—it was beaten by

public accounting two years ago.

Consistent with the past 11 years, the three lowest-ranking responsibility areas were government accounting, cost accounting, and general accounting. Cost accounting and general accounting are often considered entry-/lower-level management responsibility areas. Both government and general accounting participants saw modest increases in salary of almost \$1,000 and almost \$3,000, respectively. They both had larger increases in total compensation of \$1,700 and \$3,200. Cost accounting had gone up last year by a little more than \$12,000 for both salary and total compensation, so this year's drop of around \$5,000 in salary and \$6,500 in total compensation still has them better off than in 2010. It's probably a good sign that the lower end of the salary scale is sharing in the

improving prospects for IMA members.

Last year, seven of the 14 areas, or 50%, saw declines in salary. This year there were four areas that saw small salary declines of less than \$2,000. Only cost accounting lost more than \$2,000. In total compensation, however, two areas in addition to cost accounting experienced declines of \$4,700 or more: information systems and internal auditing. Time will tell if these are temporary setbacks or more lasting declines. Both internal auditing and information systems have been in the middle of the responsibility areas, and they remain there in spite of this year's declines.

Table 13 presents compensation by job title divided into four management levels, academia, and "other." Consistent with prior years, compensation increases by rank for each of the four management levels, and the differential between average salary and average total compensa-

**Survey respondents continue to receive salaries that are higher than those of the average American, and those salaries are well-correlated with measures of skill and effort, such as advanced degrees, years of experience, and certification.**

tion also increases by rank from lower/entry level to top management. Except for lower/entry level, each management level reported an increase in salary. Even better, every level reported an increase in total compensation, though it was just \$22 for the entry level. The total compensation increase for middle management was also small at only \$875 (0.7%). Academic positions reported gains of more than \$3,000 in salary and \$3,800 in total compensation, which is better than last year by 3.1% and 3.7%, respectively. Top management had similar gains of 4% and 3.7%, though this translates to \$5,561 more salary and \$6,433 more total compensation. The biggest winner was senior management, which had dollar gains

of \$8,222 in salary and \$17,740 in total compensation, which are improvements of 7.3% and 13.3%, respectively.

## Average Salary Profile

Table 14 provides a composite view of respondents' average salary across four variables: education level, certification, management level, and gender. This will enable you to make comparisons to others with whom you may share these characteristics. If individuals share the same demographic characteristics, then you would expect them to have the approximate "same average salary." The table doesn't show other factors that may influence salary, such as years in the field or size of the organization, so readers or respondents with large variation on these items may have different expectations.

**Management Level and Gender.** Consistent with prior years, the average salary for men is usually higher than that for women in comparable levels of management and with comparable credentials. There are combinations where entry-level women with bachelor's degrees make about \$1,000 more in salary: those with no certifications or with both CMA and CPA certifications. For those with a master's degree, there is one combination where women exceed men, and they did so by more than \$20,000: master's degree with no CMA or CPA.

**Baccalaureate vs. Master's Degree.** Table 14 contains only two degrees: baccalaureate degree and master's degree. This year, 99% of our participants have earned a baccalaureate degree, and 54% have earned a master's degree. All else being equal, you might expect those with a master's degree to have a higher average salary than those with a baccalaureate degree. There are 11 exceptions this year where baccalaureate-degree holders had higher salary or total compensation than those with a master's degree. It happens more at the top and entry level, with four combinations each, and relatively equally across gender, with six instances for women and five for men.

## Have the Winds Changed Direction?

The last two years we noted that the economic recovery was incomplete, and we couldn't yet know the ultimate winners and losers. While it surely has been a struggle, it appears that IMA members have made some progress in spite of the difficult times. Some bright areas include an increase in the number of member respondents who individually reported getting a raise, an increase in the compensation of women with fewer years in the field, and the ongoing consistency that salaries usually increase with experience, certification, and graduate degrees. In

**Table 14: AVERAGE SALARY BY MANAGEMENT LEVEL, CERTIFICATION, EDUCATION, AND GENDER**

	TOP MANAGEMENT				SENIOR MANAGEMENT			
	Women		Men		Women		Men	
<b>Baccalaureate</b>	<b>\$117,959</b>	<b>[34]</b>	<b>\$155,488</b>	<b>[140]</b>	<b>\$101,714</b>	<b>[45]</b>	<b>\$126,994</b>	<b>[108]</b>
No CMA or CPA	104,106	[9]	124,752	[29]	83,258	[17]	109,600	[33]
CMA	106,186	[7]	151,369	[36]	113,516	[11]	126,389	[35]
CPA	124,000	[7]	179,585	[36]	103,057	[7]	134,333	[13]
Both CMA and CPA	132,941	[11]	164,425	[29]	121,084	[8]	146,027	[24]
<b>Master's</b>	<b>\$131,839</b>	<b>[35]</b>	<b>\$153,049</b>	<b>[112]</b>	<b>\$131,839</b>	<b>[30]</b>	<b>\$139,018</b>	<b>[75]</b>
No CMA or CPA	129,770	[8]	143,788	[18]	129,770	[10]	107,598	[20]
CMA	141,818	[11]	155,597	[50]	141,818	[10]	143,427	[26]
CPA	100,000	[4]	152,468	[10]	100,000	[5]	138,983	[10]
Both CMA and CPA	134,683	[12]	162,683	[29]	134,683	[5]	164,794	[17]
	MIDDLE MANAGEMENT				ENTRY-LEVEL MANAGEMENT			
	Women		Men		Women		Men	
<b>Baccalaureate</b>	<b>\$ 94,829</b>	<b>[103]</b>	<b>\$115,599</b>	<b>[169]</b>	<b>\$ 69,130</b>	<b>[72]</b>	<b>\$ 74,419</b>	<b>[92]</b>
No CMA or CPA	82,526	[33]	110,082	[42]	64,805	[32]	63,873	[34]
CMA	95,550	[28]	115,816	[70]	70,029	[22]	78,872	[35]
CPA	97,449	[16]	115,357	[19]	67,500	[5]	78,013	[4]
Both CMA and CPA	113,518	[19]	126,426	[35]	79,153	[10]	78,079	[15]
<b>Master's</b>	<b>\$ 98,397</b>	<b>[65]</b>	<b>\$120,955</b>	<b>[141]</b>	<b>\$ 70,165</b>	<b>[36]</b>	<b>\$ 78,433</b>	<b>[47]</b>
No CMA or CPA	87,235	[12]	110,137	[23]	61,657	[14]	68,131	[16]
CMA	98,699	[26]	122,215	[71]	80,585	[14]	81,567	[18]
CPA	95,858	[11]	132,000	[9]	62,167	[3]	69,833	[3]
Both CMA and CPA	114,759	[11]	124,358	[37]	67,883	[3]	90,446	[8]

Number of responses shown in brackets.

spite of turmoil in the economy and around the world, the basic recipe seems to remain the same if an IMA member wants to improve his or her salary.

While women continue to earn less than men, there remain some signs that things might be improving. Women made progress in closing the total compensation gap, and the recovery doesn't seem to have impacted women in substantially different ways than men. This is perhaps very important, as it has been argued in some places in the media that the recession has hurt women more than men and that women are recovering more slowly. We see many signs of the recovery helping some groups and failing to help others, but, among IMA members, women don't appear to systematically be one of these winning or losing groups. We also see some indication that women gained ground in terms of additional compensation and also in the early years in the profession.

Survey respondents continue to receive salaries that are higher than those of the average American, and those

salaries are well-correlated with measures of skill and effort, such as advanced degrees, years of experience, and certification. Most of the salaries of participants are up relative to their own prior year. How this recovery feels to a particular person likely depends on his or her individual situation, but the past year appears to have rewarded more members than at any time since the recession began in 2007. **SF**

*Lee Schiffel, CGFM, Ph.D., is an assistant professor of accounting in the College of Business at Valparaiso University. She holds a Ph.D. in accounting from the University of Missouri-Columbia. You can reach her at (219) 464-6788 or [lee.schiffel@valpo.edu](mailto:lee.schiffel@valpo.edu).*

*David L. Schroeder, Ph.D., is an associate professor of information and decision sciences in the College of Business at Valparaiso University. He holds a Ph.D. in management information systems from Oklahoma State University.*

## Calculating an Average Salary

In 1989, the authors of this survey included a table that provided the information necessary to calculate your personal average salary. Over time, the salary calculator has been one of the readership's favorite parts of the survey. This feature employs some of the significant demographic variables provided by our survey participants.

Although not included in 1989, gender differences were captured beginning in 1990 by including a separate column for men and women. For the sixth straight year, we present one calculation regardless of gender. This year the calculator explains 25% of the variability, up from 21% in 2011 and getting closer to the 28% from 2009. This percentage-of-variability explanation is within the range that we have had in prior years. The regression values presented here are derived from the values reported by IMA members for 2012. The "average salary" calculated using this feature should not be used to justify a salary—it's simply an attempt to give a member a "picture" of what his or her salary might be using the data collected from our survey.

The total of the starting base figure and the additional values should provide you with an estimate of your personal "average salary" from the 2012 data. To calculate your personal "average salary," start with the base salary

*Ken Smith, CPA (inactive), Ph.D., is a senior lecturer in the Evans School of Public Affairs at the University of Washington. He holds a Ph.D. in accounting from the University of Missouri-Columbia.*

*The authors express their gratitude to IMA for its support in conducting this research.*

		Your Calculation
Start with this base figure		\$75,538
If you are TOP-level management	ADD	33,380
OR		
If you are SENIOR-level management	ADD	13,845
OR		
If you are ENTRY-level management	SUBTRACT	26,394
Number of years in the field _____	TIMES	803
If you have an advanced degree	ADD	6,247
If you hold the CMA	ADD	11,268
If you hold the CPA	ADD	13,370
Your Estimated Salary Level		<input type="text"/>

in the table (\$75,538), which is similar to but slightly less (\$269 lower) than our starting point last year. Then you should add or subtract each of the variables, which are fairly similar year after year, to reflect your status. For instance, you would:

Add \$33,380 for being in top management or \$13,845 for senior management or subtract \$26,394 if you are in entry-level management.

Add the product of the number of your years in the field times the factor of \$803.

Add \$6,247 for an advanced degree, \$11,268 for a CMA, and/or \$13,370 for a CPA (this means you may add none, one, two, or all three premiums).

1 Consistent with prior years, we use a 95% confidence interval to determine if any changes are statistically significant. This is a common value in this type of survey; some surveys, however, will use a lower rate like 99% or a higher rate like 90%. The changes in salary and average compensation in 2012 are statistically significant at the 90% confidence level.

2 Results of the IMA annual salary survey were first reported in the May 1990 issue of *Management Accounting* and then in the June issue from 1991 through 1998. From 1999 through today, they have been reported in the June issue of *Strategic Finance*.