What is an association chief executive officer worth? The ASAE Foundation’s research brief *Pathways to CEO Success* highlighted the various experiences that guided association CEOs through their careers. Each route and experience offers value to the CEO’s performance, and each experience affects how a CEO is compensated. But what can be said about the organizational factors that affect CEO compensation?

Benchmarking data on salaries provide a great deal of insight into how association professionals are compensated in a given year. ASAE’s current *Association Compensation & Benefits Study*, for instance, provides data for many positions across the association sector, allowing executives to compare data across a number of segments, including organizational size, budget, location, geographic scope, and industry served. This report, however, looks at trends in association CEO base salaries between 2012 and 2016 with an eye on understanding the factors that may influence the greatest growth in CEO base salaries. The examination of survey respondents over time yielded a number of interesting findings, chief among them:

- Trade associations experienced the most growth in median CEO base salaries.
- Overall, CEO base salary is increasing each year, but some segments are seeing a decline in how the median CEO base salary for that
segment compares to the overall median year after year.

- Washington, DC, New York City, and Chicago are the best cities for CEO salary growth.

METHODOLOGY

The comparison of benchmarks over time should be taken with a grain of salt. Each year’s survey respondents may include a different mix of associations. Thus, changes in median salary for each respondent group cannot only be attributed to salary changes at individual organizations. Nor can the changes provide an understanding as to why salaries may have changed. Nevertheless, the comparison provides a broad view of how CEO base salaries at associations have changed over time.

The report looks at median base salaries from data collected by ASAE for the Association Compensation & Benefits Study reports in 2012, 2014, and 2016. Medians represent the middle value of the response group, and unlike the means (averages), they are less likely to be influenced by very low or very high salaries.

OVERALL CEO BASE SALARY CHANGES

The big picture

CEO salaries are going up at respondent organizations, particularly at trade associations. The median CEO salary in 2016 was $200,000. This is up 33 percent from 2012, when the median CEO salary was $150,000, and up 14 percent from 2014, when the median CEO salary was $166,500.

Note: “Other” organizations include primarily association foundations, federations of associations, and philanthropic/non-profit/charitable organizations.
$175,000 (Table 1). Among survey respondents, the median CEO salary at trade associations has risen 40 percent since 2012, while the median CEO salary at professional associations has risen 30 percent in that time (Table 2). ASAE began collecting data on associations that identified themselves as “other” types in 2014, and since that time, the association CEO base salary has risen 27 percent.

Furthermore, salaries at trade associations have grown relative to the median, indicating a greater presence of trade association CEO salaries above the overall median (Figure 1). Despite steady growth, professional association CEO median base salaries declined against the overall median in each survey since 2012.

To get a better understanding of how different factors affect CEO salary over time, the report examines median CEO base salary broken down by different segments of associations that responded to the compensation survey, including organizational budget and staff size, industry served, geographic scope, and location. The data were analyzed to identify median base salary change over time and how the median base salary of different segments compares to the overall median CEO base salary in each survey year. The data reveal that a number of factors do affect CEO base salary.

Organizational budget and staff size

Overall, organizations with larger budgets are able to provide higher salaries to their CEOs. The CEO salaries of large-budget survey respondents also grew at a faster rate. However, while salaries in most budget segments have grown since 2012, the median base salary for CEOs in the largest budget category actually decreased between 2014 and 2016 (Table 3). The two smallest budget segments for which data have been collected have actually seen decreases in the median base salary since 2012. Given the small overall response rate, this could be due to changes in survey participants in each year, but it is worth noting.

When breaking down the survey data by staff size,
median CEO base salary is shown to have grown across the board since 2012 (Table 4). Associations with more than 100 staff members saw the greatest growth between 2012 and 2016.

Industry served

Given the large variety of industries served by associations and the small differing groups of respondents from each industry each survey year, it is challenging to draw conclusions from the data about the impact of industry on the association CEO salary. However, an examination of the median base salary for CEOs in industries for which ASAE has data from 2012 to 2016 reveals that respondents from certain industries have fared better than others when they are compared to the overall median CEO base salary. Median CEO base salaries for financial industry associations compare particularly well against the median in each survey year (Figure 2). The construction/housing industry association CEO median salary, while still below the overall median, has grown in relation to the overall median.

Geographic scope

Geographic scope seems to have less to do with salary changes over time. Local and state association respondents saw the greatest increase in median CEO base salary since 2012, but apart from the regional association segment, there were no dramatic differences in CEO base salary increases across segments since 2012 (Table 5). State and national association CEOs saw the greatest increases in base salary between 2012 and 2014, while local and international/global association CEOs saw greater salary jumps between 2014 and 2016.
Location

The metropolitan areas in which CEOs work do affect their salaries. In looking at metropolitan areas for which ASAE has data from the last three survey cycles, CEOs in certain areas have seen greater growth in median base salary than in others. Respondents in the Washington, DC and New York City metro areas both saw a 40 percent increase in median CEO base salary since 2012 (Table 6). Denver, on the other hand, has seen a three percent decrease since 2012.

Median CEO base salaries have also done well compared to the overall median in the Washington, DC, New York City, and Chicago metro areas (Figure 3). All other areas saw a decline compared to the overall median CEO base salary from 2012 to 2016.

A DEEPER DIVE: COMPARISONS OF MEDIAN CEO BASE SALARIES AT 71 ASSOCIATIONS FROM 2012-2016

The data show that median CEO base salaries have typically increased from 2012 to 2016, but what can be said about the real growth of CEO salaries in the last four years? Seventy-one organizations participated in the ASAE Foundation’s CEO Compensation and Benefits Survey in 2012, 2014, and 2016. Though the group is small and is not a representative sample of the association sector, it does offer a limited view of compensation changes within the sector. In fact, a comparison of the group’s median CEO salaries in constant 2012 dollars provides evidence of real CEO salary growth since 2012.

When looking at all 71 organizations, median CEO base salaries grew 16.9 percent from 2012 to 2016. However, the real growth—that is, the comparison of median base salaries when accounting for inflation—was 11.2 percent, indicating that, in general, association CEOs are making more money than they used to beyond the accommodation for inflation (Table 7). Diving into the data, the greatest growth can be found in the highest end of the budget scale. Even when comparing constant dollars, associations with budgets of $10 million or more saw a 16.4 percent increase in median CEO salary since 2012. However, associations at the other end of the budget spectrum saw the second highest real increase. Median base salaries for organizations with budgets of $500,000 to $999,999 saw a 14.5 percent real increase.
Median CEO base salaries at organizations with budgets of $5 million to $9,999,999 matched the overall growth with an 11.2 percent real increase. Organizations with budgets of $1 million to $4,999,999 saw the smallest real increase—just 2.9 percent. However, this was the salary group with the greatest number of responses—more than double the responses of the other group—so salary shifts may have been tempered by a larger pool of responses.

CONCLUSIONS

Numerous factors affect CEO salaries, including a number of factors not presently benchmarked by ASAE: job history, years of experience, and education, to name a few. Within the data benchmarked by ASAE, there are some clear trends. Larger organizations offer higher salaries, some cities are more likely to be homes to higher salaries, and associations that serve certain industries are more likely to offer higher pay than other associations that serve other industries.

This report offers just the high-level trends for CEOs over time. A complete understanding of the association CEO salary landscape is best served by an exploration of the full data offered in ASAE’s Association Compensation & Benefits Study.