

The value of the CFA[®] designation

A member perspective



**CFA Society
Germany**

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CFA Society Germany e.V. is a non-profit organisation based in Frankfurt / Main in Germany. It was founded in 2000 and is Germany's largest association for investment professionals. It promotes the CFA®, CIPM® and CIIF® professional education programs as well as numerous Continuing Education activities in addition to the annual Research Challenge of the CFA Institute in Germany. Apart from full-range member services, CFA Society Germany fosters Best Practice in Germany's financial industry through participation in various specialised expert panels (such as the German Asset Management Standards Committee) and through the organisation of manifold interdisciplinary expert activities (such as the German Advocacy Committee), the CFA Round Table, conferences and workshops.

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'What's in it for me?' The question about the CFA designation's value has certainly been asked by investment professionals before and after having signed up for this challenging professional education program. Hopefully, there have been manifold positive answers given later on during their career which made up for all the effort.

Since its founding in 2000, CFA Society Germany has enjoyed membership growth and high acceptance for all its activities and services centered around the CFA program – in spite of temporarily challenging environments in the financial industry and weakened financial support by employers.

What makes predominantly young professionals in asset management, consultancy, auditing and from many other demanding walks of financial life firmly believe in investing several years of their valuable lifetime in order to earn three letters on their business cards?

Topical and methodical specialists of the German Advocacy Committee, an expert panel within CFA Society Germany, developed a survey to address exactly this question. Carefully chosen demographic and professional aspects shed light on a variety of aspects, which comprehensively capture the 'value' of the CFA designation – predominantly in a qualitative manner, but at some points also in straight money terms.

More than 250 CFA charterholders in Germany have participated in our survey, representing almost 12% of total membership. This high response rate reflects the special fascination of this research topic and provides well-based, valuable insights for all of us.

Thanks to all who have enabled and contributed to this study.

Best regards



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Management summary

Overall, the study reveals a considerable value added by the CFA designation to an investment professional's life in the financial industry. Figuratively spoken, it contributes a lot to CFA charterholders' both horizontal and vertical growth throughout their career.

In ,horizontal' terms, the CFA program not only improves one's general understanding of each part of the financial industry, but also facilitates professional network formation early in one's career and positively contributes to the quality of networking and events attended throughout the decades after. Pronounced positive effects for CFA charterholders are seen in terms of recognition by clients, prospects, colleagues, superiors and external business partners.

Looking at the CFA designation's ,vertical' impacts, its propulsive effect on career progress is very clear: almost 40% of CFA charterholders have leadership responsibilities, another 6% own their own business. They enjoy markedly improved job offers and career opportunities throughout their professional life, as well as higher compensation.

The study also hints at ongoing changes regarding the attractiveness of the financial industry's various professional directions where CFA charterholders typically embark on: while on the ,home turf' of Asset & Risk Management, the CFA designation has been increasingly established as a standard and prerequisite for entry, additional professional areas emerge as faster tracks for CFA charterholders, e.g., in terms of hierarchical progress, job offers and pay.

Finally, recommendations are given to four different stakeholders: 1. CFA charterholders, 2. those who aren't yet (current and future CFA candidates), 3. CFA Society Germany, and 4. CFA Institute. Also, areas for further research are derived, which center around conducting similar research on an ongoing basis, in international contexts and for specific groups, as well as more qualitatively for selected aspects. Moreover, corresponding ,value' research on Continuing Professional Development appears promising as well.

1. Background of the study

The idea behind this study was born during the founding period of the German Advocacy Committee in summer 2016. The ‚GAC‘ is an interdisciplinary expert panel of CFA Society Germany, which identifies and discusses important current topics from the realms of Regulation and Investment Management in order to develop the Society's official positionings thereon and to communicate them into the financial community.

During the recruitment process of the two dozen experts for the panel, all of whom are CFA charterholders - except one who holds CFA Institute's CIPM certificate -, a rich diversity of careers and walks of life became visible. When we all gathered for the first time in our new office in the vicinity of the German Stock Exchange in Frankfurt, we welcomed experienced practitioners, professors, post-doc researchers, successful self-employed entrepreneurs, coaches, consultants and auditors; both those who have specialist roles as well as members with high managerial responsibilities; some work in the private financial sector, others in federal entities or supranational institutions. However different these experts might be - what connects almost all of them is the CFA designation.

Until today, it has not been comprehensively researched what the most demanding professional education program in the financial industry has done for German CFA charterholders. Thus, this study's authors thought it would be worthwhile to investigate amongst CFA Society Germany's entire membership, whether and how they benefit from their CFA designation, after having put so much effort into earning it.

This study seeks to discover the individual demographic and professional context of each participant and thus asks about work experience, status and daily responsibilities. Value will also be derived from investigating the economic benefits related to the CFA designation from a static and from a dynamic perspective. Moreover, this study also addresses the question, how helpful the CFA designation is when climbing the various steps on the career ladder. How supportive are employers when it comes to displaying the three letters on business cards and publications? And - maybe most important - how does the CFA designation influence charterholders' recognition among the groups of people which are most relevant for them - clients, colleagues, superiors? How do business networks and job opportunities change once one becomes a CFA charterholder? How valuable is it for one's self-esteem?

Many interesting questions. Here are some answers.

2. Methodology

Target group and response:

Population: 2,260 CFA charterholders, who are members of the CFA Society Germany
 Responses: 270 completed questionnaires
 Response rate: 11.95%

Demographics of respondents:

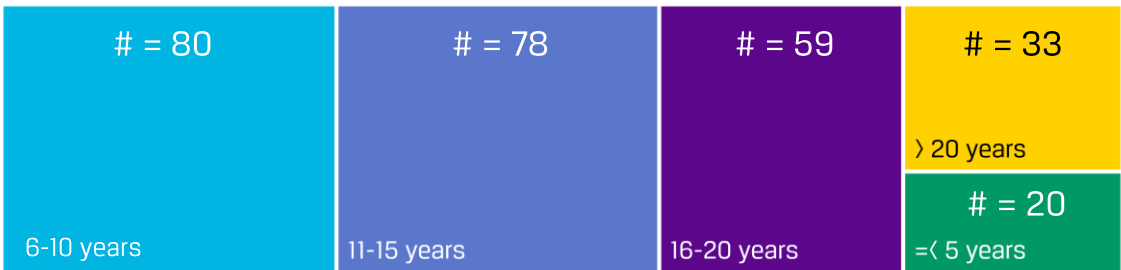


Figure 1 – Number of responses (#) and work experience

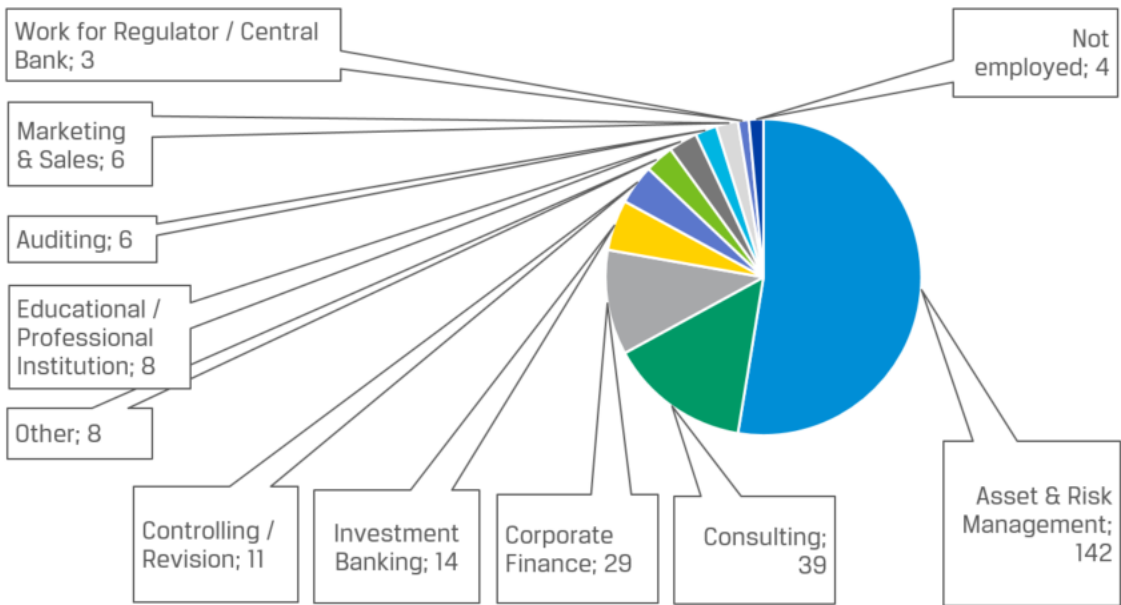


Figure 2 – Professional responsibilities; number of responses

Technical means:

The program 'Survey Gizmo' was used to conduct the survey. The link to the survey was embedded into a newsletter of CFA Society Germany on December 5th, 2016. For statistical analysis, the program SPSS Statistics of IBM, version 23, was employed.

Time frame:

Research period: December 5th, 2016 - December 23rd, 2016

Reminder: December 16th, 2016

Answer time: 5 minutes

Statistical significance:

CFA Society Germany, with an entire population of 2,260 CFA charterholders, is one of the larger CFA Societies within the global CFA network, and the almost 12% response rate of this survey was very high. However, when it comes to sub-group analysis, the limits of statistical power and, thus, representativeness are certainly reached, especially for sub-groups smaller than the three largest ones (Asset & Risk Management, Consulting and Corporate Finance). This is to be taken into consideration and, therefore, the study contains a full quantitative disclosure on all sub-groups (see Appendices).

Recategorizations:

40 respondents originally classified their professional responsibilities as 'Other', but delivered descriptions of their activities as well. Based on this information, several data improvement measures were taken:

- 17 respondents were merged onto the sub-group of 'Asset & Risk Management', because the descriptions of their activities were clearly centered around more or less specialized responsibilities for asset classes or processes along the value chain of Investment Management
- Responses of 3 professionals working as full-time academics were merged onto the sub-group working for an 'Educational / Professional Institution'
- 1 participant's response was merged onto the sub-group 'Corporate Finance', because the description of activities was explicitly congruent
- For 11 responses, a new sub-group was built, named 'Controlling / Revision'
- 1 response was rated invalid due to obviously implausible information

As a result, 258 out of 266 responses of employed or self-employed participants can be attributed to one out of 9 categories of professional areas, with only 8 responses remaining classified as 'Other'.

3.1 The career ladder

As a side benefit of the survey, the demographic aspects researched allow for novel insights into the professional status of our members – this information has not been part of the member data set of CFA Institute or any survey known to us thus far. Given the survey's high response rate, the results may be considered fairly representative for the entire member base of CFA Society Germany.

98.5% of respondents are employed or self-employed. Of the other 1.5%, we do not know whether their status is due to retirement, intended leave (such as sabbaticals) or temporary unemployment between jobs. Almost 93% of participants are employees, and almost 6% are self-employed.

Overall, more than half of the responding charterholders are employed on an expert level without managerial responsibilities. Following the achieved ranks upwards, the air expectedly gets gradually thinner, with some 5% of respondents acting on a managing director's level. Impressively, more than 42% of employed CFA charterholders have leadership responsibilities in basic, middle, upper and top management capacities.



Figure 3 – Professional status of CFA charterholders

The survey further investigated the propulsive power of the CFA designation along the hierarchical scale. This study distinguishes between the propulsive power at the start of one's career and for future promotions, respectively. Further, participants were asked to attribute levels of utility to each of their hierarchical steps achieved thus far. They rated the level of utility from useful, to very useful, to it being a decisive factor. Overall, two-thirds of a total number of 251 employed respondents consider the CFA designation to be at least useful for their early career stage – with one-quarter even considering it to be very useful or decisive at that stage. Thus, this result supports the notion that participants perceive the CFA designation as a kick-starter for their career. Therefore, recommending the CFA designation to students and junior professionals seems to be very good advice. But it is not only at the start of one's career that the CFA designation has propulsive power, but also a total number of 106 executives, having undergone 216 career steps, pointed to the perceived utility of their CFA designation. In total, 69% reported that the CFA designation was helpful at least for one of their promotions. Out of this group, 28% attested that the CFA designation was very useful, while another 6% ranked the designation as the decisive factor for at least one of their career steps. However, the results show that the CFA designation is not just useful as an entry level qualification, but instead remains useful for further promotions throughout one's career. Furthermore, when comparing those participants which rated the designation as very useful or even decisive, the combined share is even higher for promotions than at career start. Clearly, the CFA designation seems to be a long-lasting asset on a life-long career ladder.

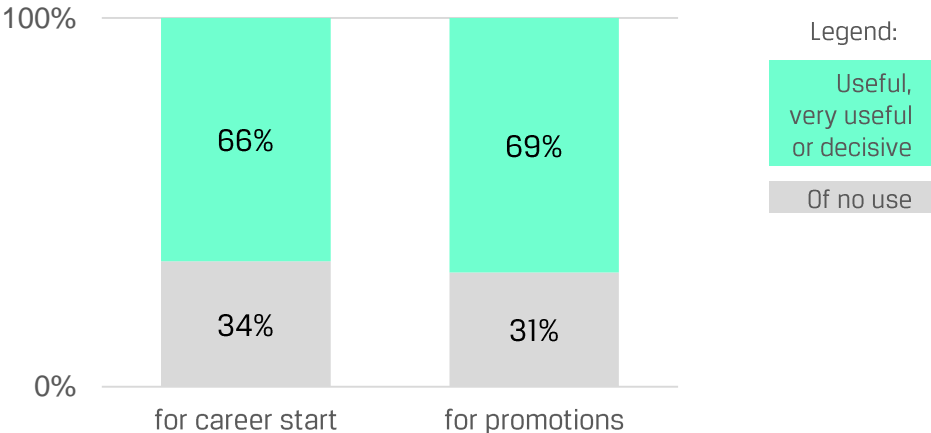


Figure 4 – Propulsive power of the CFA designation – overview

Even more detailed insights can be derived when distinguishing between the individual career steps. Respondents with leadership responsibilities have been asked to report on individual promotions. The study discriminates between promotions to four different hierarchical levels: team head, department head, division head and managing director, respectively. The positive influence remains on a high level throughout one's career, even onto the level of upper management, where 57% of respondents still consider the CFA designation to be at least useful for reaching the position of a division head. The propulsive power's peak appears to be reached at the middle management level, where one-third of respondents stated the CFA designation to have been very useful or even decisive for obtaining the position of a department head. Not surprisingly, the move onto the ranks of top management is less dependent on a professional degree that does not contain formal leadership skills – but still more than one-fifth of CFA charterholders who are in the position of Managing Director consider their CFA charter to have been useful to get there.

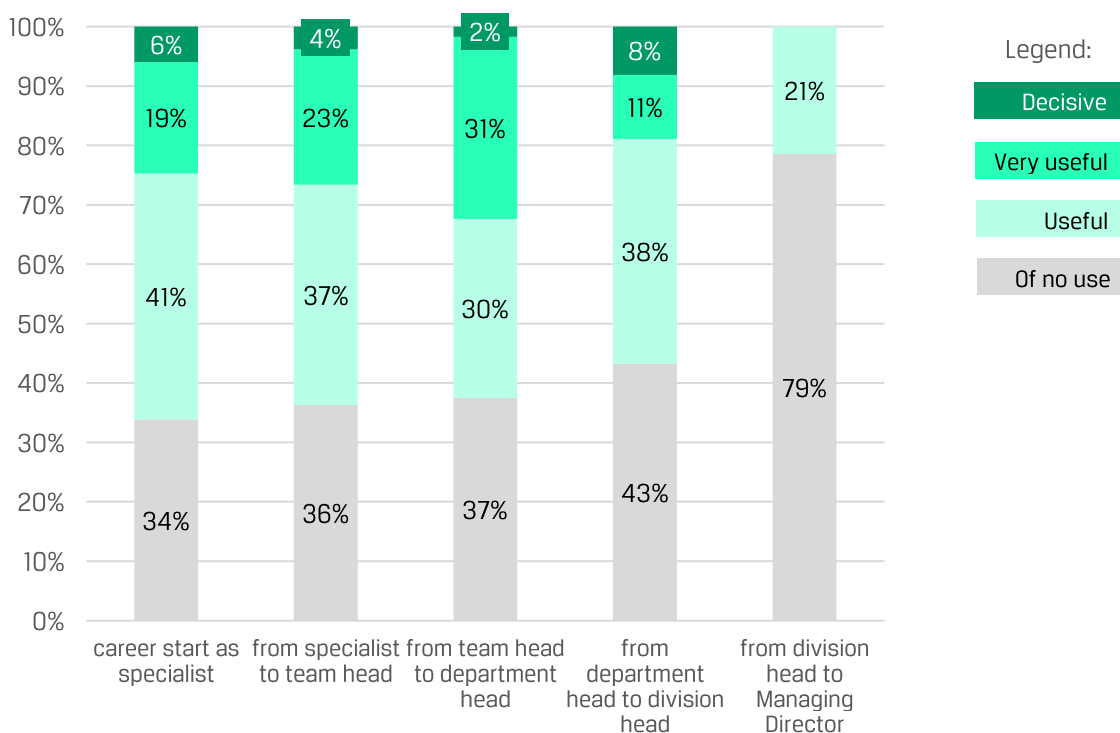


Figure 5 – Propulsive power of the CFA designation – details

Since respondents of each of the three largest professional sub-groups represent all five levels of career, detailed analyses are carried out for Asset & Risk Management, Consulting and Corporate Finance, regardless of partially higher general statistical requirements for minimum sample sizes.

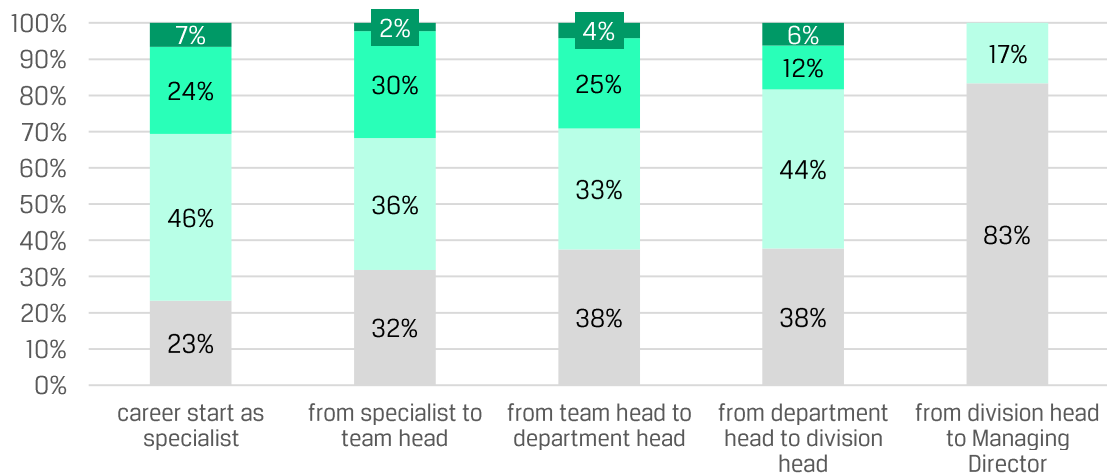


Figure 6 – Propulsive power of the CFA designation – Asset & Risk Management

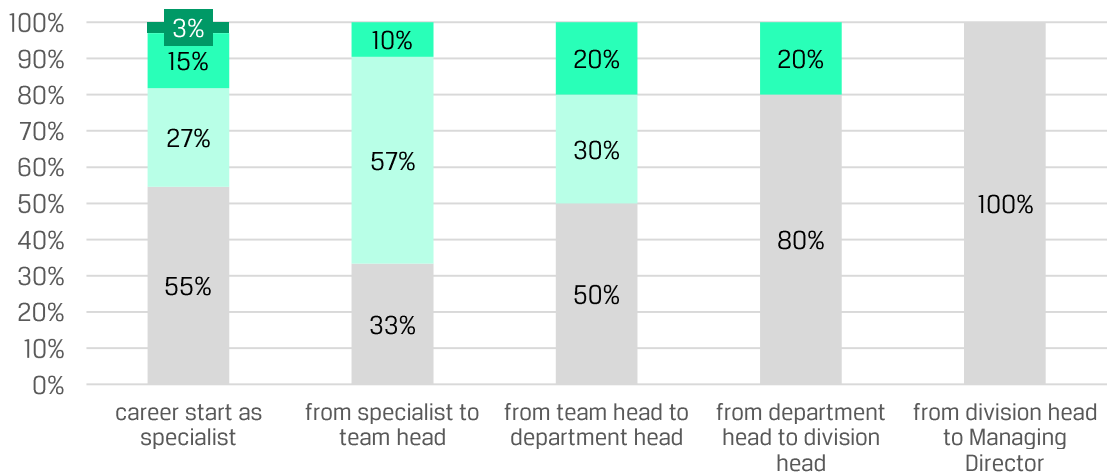


Figure 7 – Propulsive power of the CFA designation – Consulting

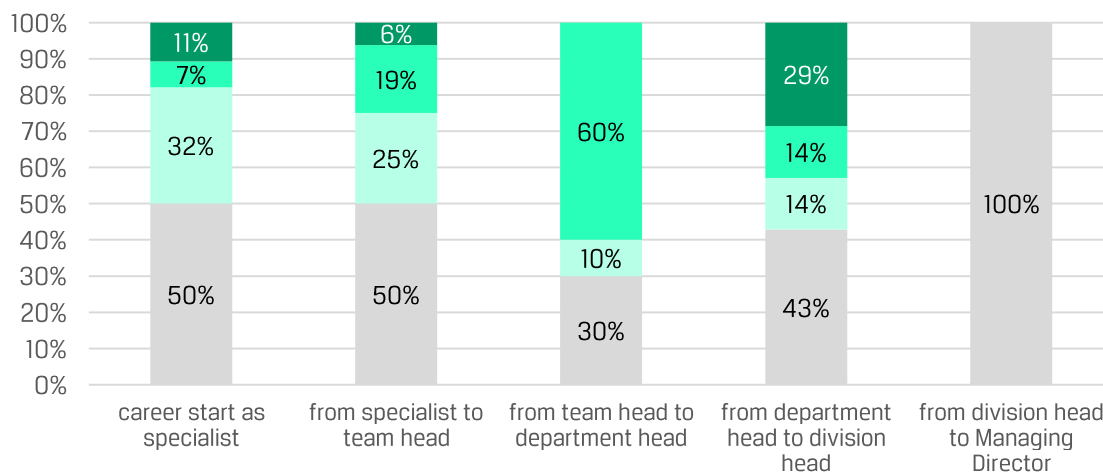


Figure 8 – Propulsive power of the CFA designation – Corporate Finance

Not surprisingly, the results derived from the **Asset & Risk Management** industry, as the largest sub-group, most closely reflects the overall member picture described earlier. The usefulness of the CFA designation for starting one's career is naturally very pronounced (77%) for professionals in this area – and remains above-average up to the levels of upper management. Not until the level of Managing Director does the usefulness of the CFA designation decline and lose importance.

As opposed to the overall sample, a majority of 55% within the sub-group of respondents from the area of **Consulting** consider the CFA designation not to be useful for starting their career. However, it becomes very valuable for their first step upwards on the career ladder, where two-thirds of them attribute at least usefulness, in some cases even decisive power to the CFA designation – this might be a distinguishing factor within a professional realm which is traditionally characterized by high levels of homogeneity in terms of background, especially academic education and age of their employees.

The sub-group of respondents from **Corporate Finance** exhibits a pattern similar to the one of Consulting with regard to the entry level of career, where the CFA designation matters less than in the overall sample – but later on, and in this industry on the middle management level, the propulsive power of the CFA designation sets in: 70% of respondents consider it very useful or decisive to reach a department head's position, and also for the next step into upper management, for Corporate Finance the CFA designation remains markedly more decisive and of high usefulness than in the overall sample.

Group-specific analysis of hierarchical levels achieved by CFA charterholders in different professional areas serves as an indicator for the 'likelihood' of climbing up the career ladder. The term 'indicator' is used very consciously in light of the facts that just the sub-groups of Asset & Risk Management, Consulting and Corporate Finance contain CFA charterholders on all hierarchical levels and even those only partially exceed statistically reasonable samples of 35-40. Thus, results for all other sub-groups with smaller sample sizes are increasingly dependent on specific individual responses and less representative for the entire population of CFA charterholders in Germany. However, the emerging patterns are very interesting.

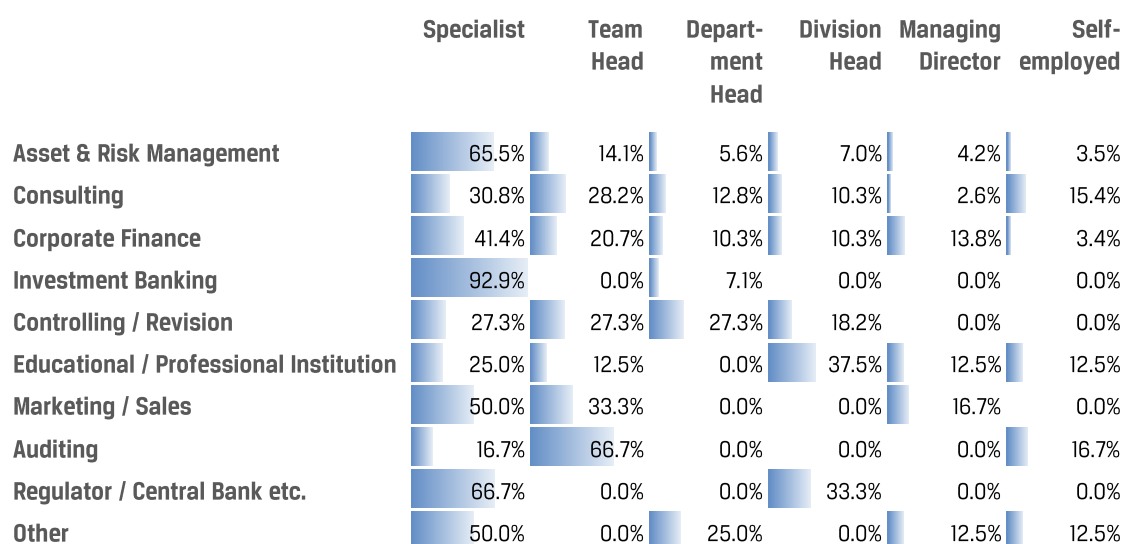


Figure 9 – Distribution of CFA charterholders' career levels across professional areas

Two-thirds of the respondents working in the 'classic' CFA realm of Asset & Risk Management perform a specialist task – this is markedly above the average of 53.5% for the overall sample (p. 11) and involves a below-average share of managerial positions for CFA charterholders in that industry, compared with the overall sample. Of the two other larger sub-groups, both Consulting and Corporate Finance appear markedly more promising for CFA charterholders to achieve a leadership position – in Consulting, this is tilted towards basis and middle management, in Corporate Finance there is more emphasis on upper and top management. Controlling / Revision as well as Auditing seem to emerge as additional professional areas with above-average chances of getting promoted.

3.2 Pay-off

In its most mundane sense, the question about the ‚value‘ of the CFA designation melts down to money. While one trusts that each CFA charterholder is committed to overarching goals and the ultimate benefit of society whilst performing his and her professional responsibilities, the importance of remuneration as a means and measure to account for recipients' excellence and competence shall not be denied.

First of all, the survey required all employed and self-employed participants to state the share of their current compensation or income which they felt to be attributable to their CFA designation in percentage point terms – this figure can be interpreted as the ‚realized monetary benefit‘ of the CFA charter; secondly, it asked all employed participants how many percentage points of a compensation increase upon a change of employer would be perceived to be based on the CFA designation – this figure can be regarded as individual employees' ‚dry powder‘ intrinsic to the CFA charter for economic career progress. Here are the results:

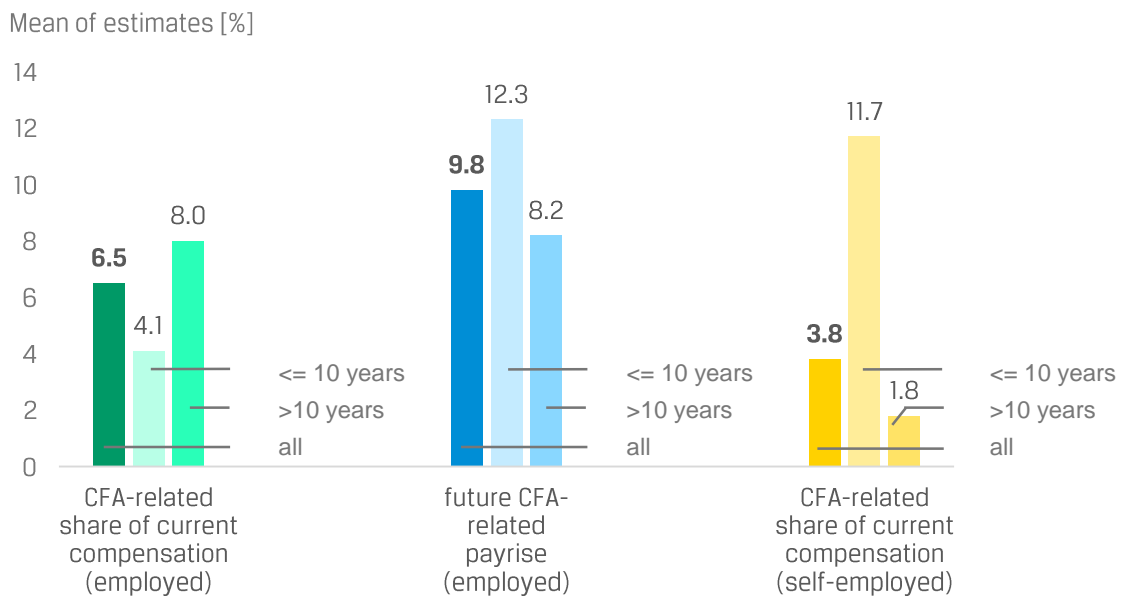


Figure 10 – Perceived monetary value of CFA designation, depending on professional experience

Overall, according to the survey's respondents, the current monetary value of the CFA designation averages to 6.5% of current compensation for employed CFA charterholders. This figure contains all levels of professional experience. However, it was striking to see that apparently there is a considerable difference through the categories of work experience. Those participants with a professional experience of less than or exactly 10 years deemed that only 4.1% of their actual pay is attributable to the CFA designation.

In contrast, respondents with a professional experience of more than 10 years attributed 8.0% of their current compensation to the CFA designation. Having identified this difference, we performed a t-test on the statistical difference of those means. Due to this testing we found a statistically significant difference on the 1% level of significance. Therefore, we conclude that more experienced participants ranked their CFA designation even higher and assigned higher percentages of their actual pay to the CFA designation. Assuming that more experienced professionals earn also higher salaries, the CFA designation seems to really pay off in monetary terms. Self-employed CFA charterholders, on average, attribute a considerably lower proportion of their current income to the CFA designation, compared to their employed fellow CFA charterholders.

Having asked about in how far the CFA designation helps to achieve potential pay rises when changing the employer, respondents assigned an average of 9.8% on such occasions. We interpret this higher number compared to the actual pay levels as an indication that the CFA designation has a high propulsive power for many employers watching out for CFA charterholders. However, the discrimination of estimates between younger and more senior professionals also applies. Respondents with a professional experience of 10 years or less, regard their potential pay rises on average to 12.3%. In contrast, more senior charterholders with a work experience of more than 10 years, estimate the potential increase to only 8.2%. Again, a t-test on the difference of means found that indeed these two means should statistically be regarded as in fact different from each other – but this time only on the 10% level of significance.

To us, the difference of estimates is not really surprising. At an early stage of one's career, there is a higher potential for multiple pay rises resulting from employer changes during their career. In contrast, more senior professionals have already capitalized a larger portion of the designation. Further, they are deemed to be more settled and not willing to change their employers as frequently. Therefore, their potential seems to be more limited compared to the younger professionals. Overall, the CFA designation still seems to pay off at any point in the lifetime of one's career.

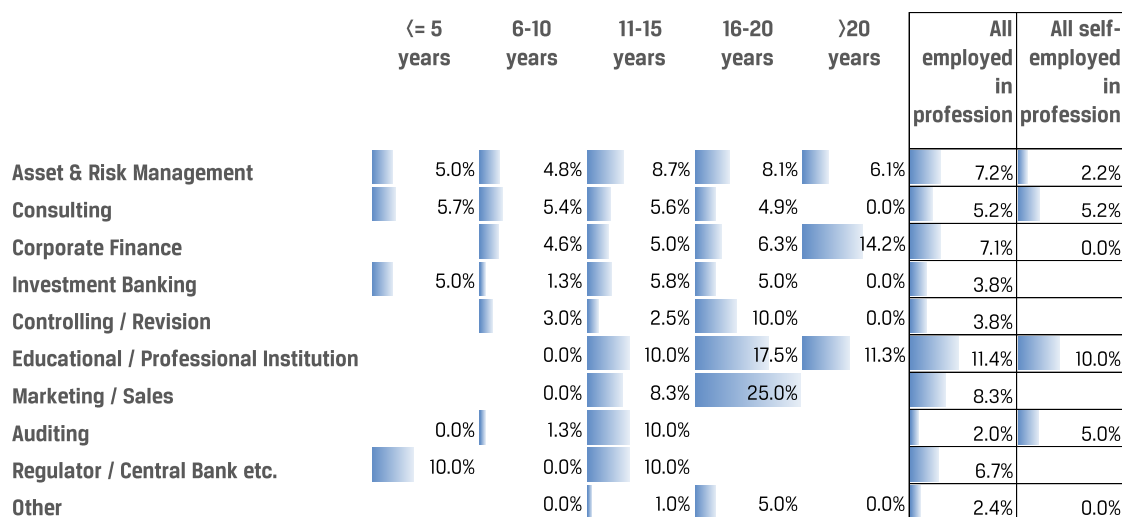


Figure 11 – Perceived experience-specific share of compensation due to CFA designation – current compensation

Drilling deeper into the different professional areas along experience clusters, different degrees of 'monetary impact' of the CFA designation can be identified, though again keeping in mind possible statistical caveats due to differing sample sizes of the sub-groups analyses as stated earlier: as far as employees are concerned, in the fields of work for Educational / Professional Institutions, as well as in Marketing / Sales, the CFA designation apparently has a higher overall monetary effect than in the more 'classic' realms of Asset & Risk Management or Corporate Finance, and in the areas of Auditing as well as Controlling / Revision it seems to have only minor influence on paychecks. One of the results which is difficult to explain is the low percentage reported in Investment Banking.

Also, there are some professions where the CFA designation means 'more money' rather early on in one's career (in Regulator / Central Bank functions), while in other professions that effect predominantly kicks in intermediate levels of experience (such as Asset & Risk Management, Consulting and Investment Banking), and lastly those professions where the CFA designation seems to pay off from 15 years of experience onwards (in Educational / Professional Institutions, Corporate Finance, Controlling / Revision and Marketing / Sales).

Though having a smaller sample size, which does not cover the entire range of professions, the responding self-employed CFA charterholders also reflect the specific monetary attractiveness of the field of Educational / Professional Institutions.

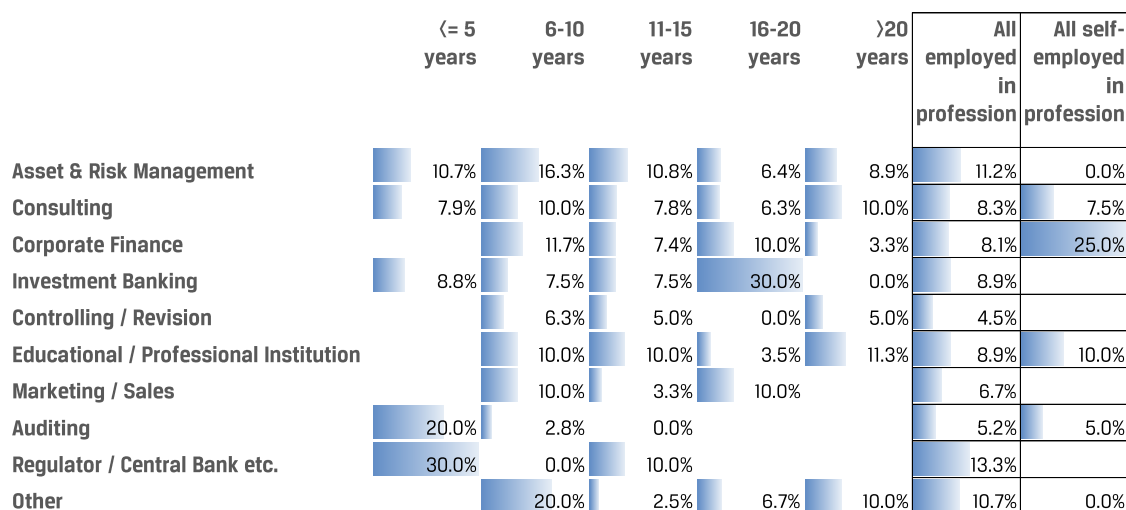


Figure 12 – Perceived experience-specific share of compensation due to CFA designation – future pay-rises

Compared to actual pay levels analysis, the favourite professions for future pay-rises are quite different from those where the monetary benefits are best reaped via current compensation: for employees, on the Regulator / Central Bank side as well as in Asset & Risk Management there seems to be the biggest potential, whereas the realms of Auditing as well as Controlling / Revision lag behind in terms of the potential rise of salaries.

However, it should be noted that young professionals (less than or equal to 5 years of professional experience) from Central Banks /Regulation, as well as from Auditing, expect the highest potential for pay rises. We interpret this fact as an indication that they expect higher future salaries outside their industries, as Auditing as well as regulatory bodies aren't famous for their high salaries. However, CFA charterholders seem to have the potential to change employers at their discretion.

When looking more closely at the different professional areas along hierarchical levels, a somewhat different pattern of 'monetary impact' of the CFA designation emerges. Again, statistical caveats due to differing sample sizes of the sub-groups are possible. Employed CFA charterholders in the fields of Educational / Professional Institutions, as well as in Marketing / Sales, experience a higher overall monetary effect than those who work in Asset & Risk Management, Consulting, Corporate Finance or for the Regulator / Central Banks. In Auditing and Investment Banking as well as in Controlling / Revision, the CFA designation seems to make only a minor difference on paychecks.

In some professional areas, the CFA designation pays off rather early in one's career (in Marketing / Sales and Corporate Finance), while in other sectors, that effect predominantly kicks in on the middle management level (e.g., in Asset & Risk Management and Investment Banking). Lastly, there are professions where the CFA designation seems to pay off rather late, as when achieving the ranks of upper and top management (especially in Consulting and in the field of Educational / Professional Institutions).

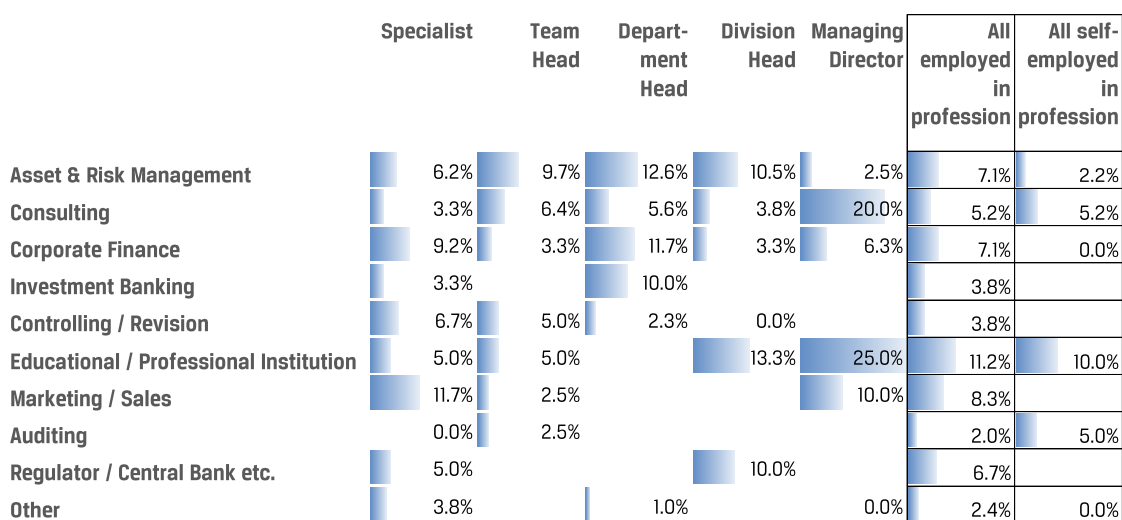


Figure 13 – Perceived hierarchy-specific share of compensation due to CFA designation – current compensation

When it comes to the CFA designation's monetary impact on future pay-rises, the most attractive professional areas differ from those where the monetary benefits can be best realized via current compensation: CFA charterholders who work for the Regulator / Central Bank side as well as in Asset & Risk Management enjoy the highest potential, whereas the realms of Auditing as well as Controlling / Revision are at the lower end of the spectrum. By and large, the pattern of the monetary impact of the CFA designation unfolding at various career stages remains the same as for the analysis of current compensation – with some professions expected to 'accelerate' the monetary effect into earlier career stages (Consulting and Regulator / Central Bank professions as well as in the field of Educational / Professional Institutions), other professions to 'retard' it into later career stages (Controlling / Revision, Corporate Finance and Marketing / Sales), and a third category of professions which exhibits mixed or unchanged effects (Asset & Risk Management, Auditing and Investment Banking) compared to the analysis of current salaries', 'CFA share'. This time, the responses of the self-employed CFA charterholders do not qualitatively match the above-described patterns which emerged on the employees' side.

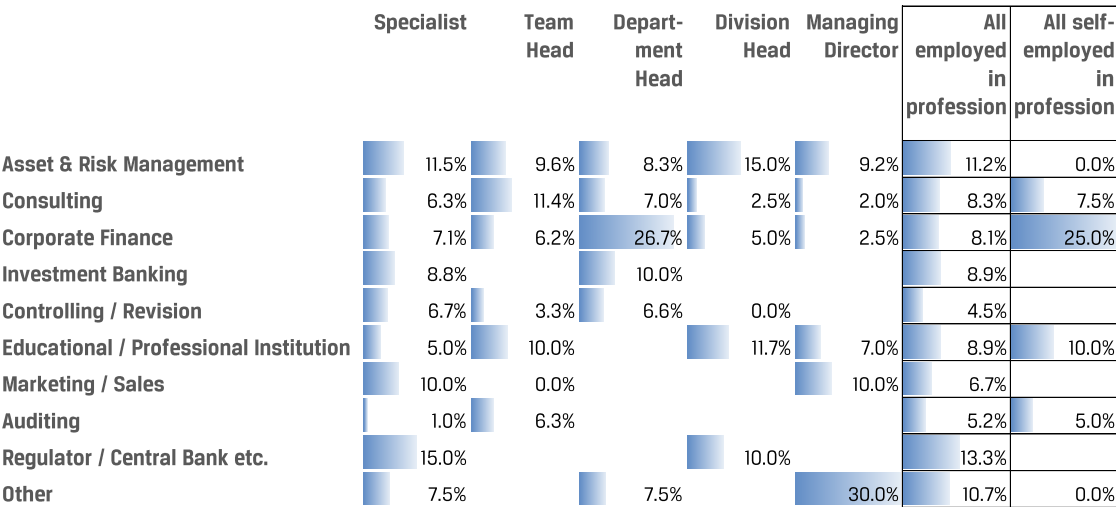


Figure 14 – Perceived hierarchy-specific share of compensation due to CFA designation – future pay-rises

3.3 Carrying the CFA title

Every CFA charterholder takes pride in carrying those three letters on her business card or behind his name as an author for professional magazines or financial newspapers. But sometimes the CFA title falls victim to corporate identity policies which do not allow for carrying professional designations into public when acting on behalf of the institution. This study analyses these issues amongst all responding 251 employed CFA charterholders who are not self-employed.

The following graph displays the sector-specific percentages of employers who allow the CFA designation to be displayed on business cards as well as behind the author's name when writing on behalf of the company. By and large, the policies regarding company publications seem to be more restrictive than those pertaining to business cards:

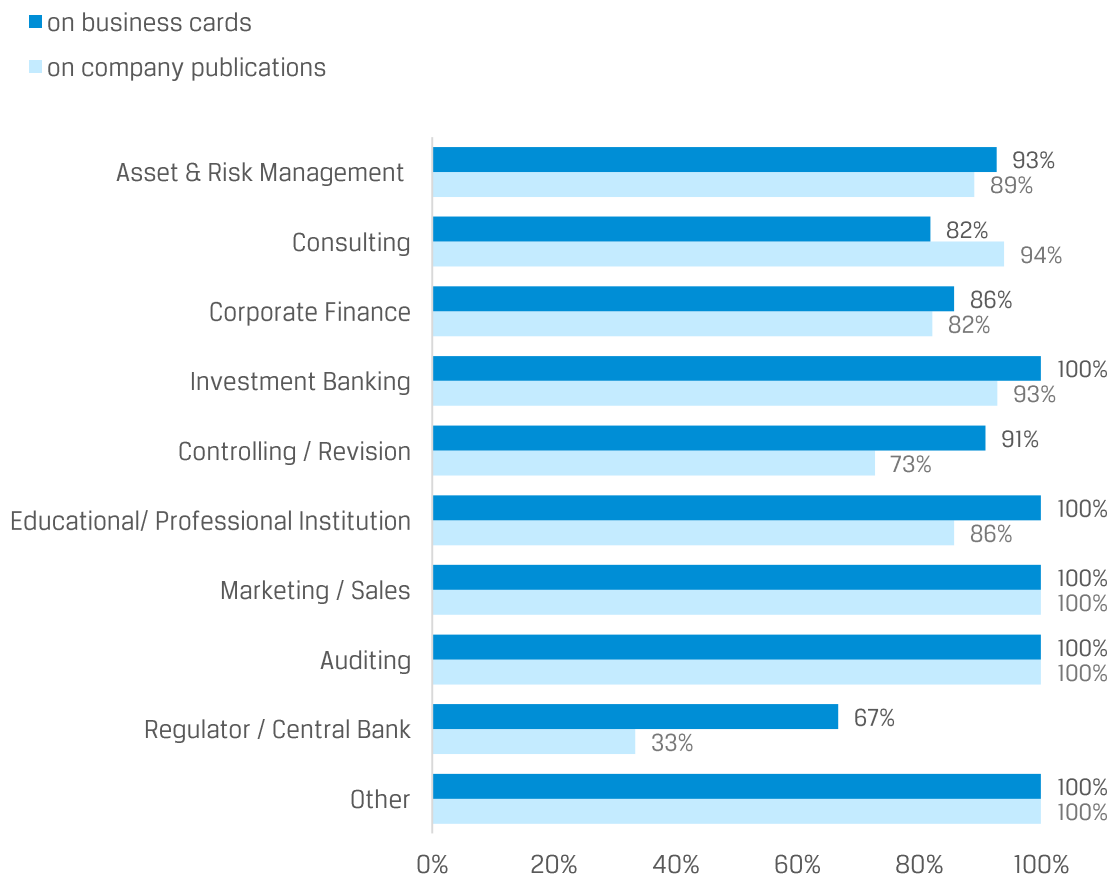


Figure 15 – Employers' permission to carry the CFA title

Generally speaking, the CFA title appears to be a sign of quality which employers largely support. According to the respondents, entire professional areas such as Marketing / Sales, Investment Banking and Educational / Professional Institutions allow their employees to carry the CFA title on their business cards. The sub-group 'Others', which also has a 100% turnout for business cards, consists of areas as diverse as Investor Relations, Corporate Strategy, Financial Journalism, Business Development, Taxes and IT.

Institutions which are working rather ,with' than ,within' the financial system, namely Regulator / Central Banks, exhibit a lower support for carrying the CFA title on behalf of one's employer – possibly for reasons of being held to higher levels of neutrality and distance towards the financial industry and its educational and professional institutions.

3.4 Clients and Prospects

The value of the CFA designation will be analysed in the following from two different perspectives: firstly, the survey asked about the effect of the CFA designation in terms of recognition by existing clients. Secondly, it investigated the effect of the CFA designation on chances to win ‚beauty contests‘ (RfIs, RfPs etc.) in order to acquire fresh business from prospects. Naturally, the analyses are restricted to the professional groups which actually have external clients and prospects in a true business sense. Thus, participants who are employed in the areas of Regulator / Central Banks as well as Controlling / Revision are cut out of all considerations within section 3.4.

By means of averaging out the individual answer scores, which had to be provided on a scale ranging from -2 (very negative) to +2 (very positive), the results for each professional area are calculated. They represent the total effect which the CFA designation is considered to have on recognition by existing clients, as well as with regard to winning beauty contests related to future business:

- influence of CFA designation on client recognition
- influence of CFA designation on chances in beauty contests

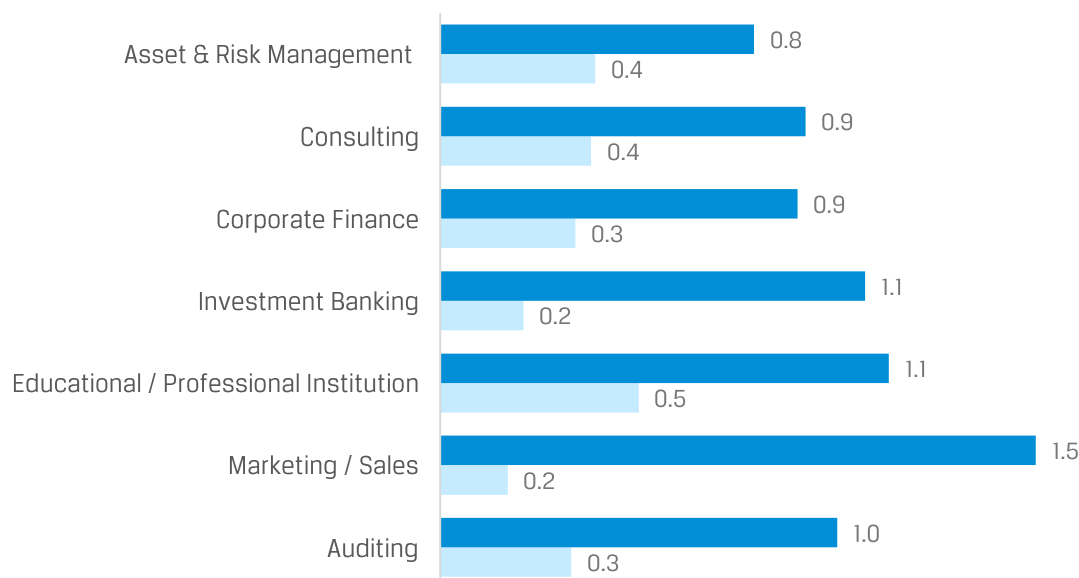


Figure 16 – Value of CFA designation in context of clients and prospects

The results demonstrate that the CFA designation is far more valuable in existing client relationships than in situations of acquisition: in beauty contest settings it earns some, but relatively little upfront goodwill. In contrast to that, once a client has been acquired and opportunities to display professional competence and a sense of duty to the clients, the CFA-based recognition becomes pronouncedly higher.

With 142 responses from the realm of Asset & Risk Management, it is statistically viable as well as topically worth drilling somewhat deeper, to explore how the experience of recognition by clients develops along a CFA charterholders' professional life.

The findings support the earlier results, namely that experience, as opposed to short-term upfront goodwill, fosters the most CFA-based recognition by clients.

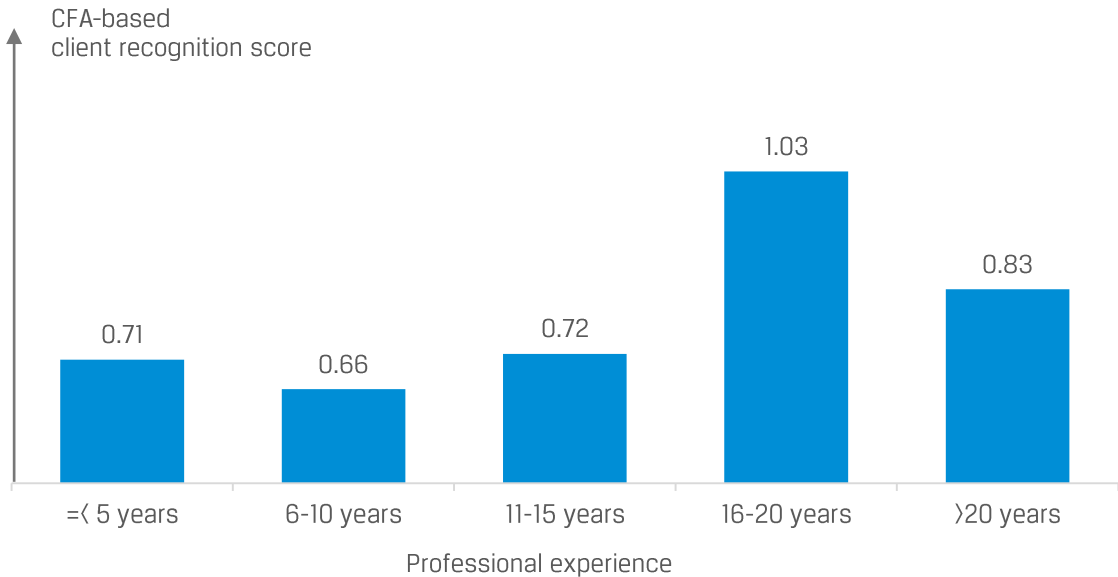


Figure 17 – Professional experience and CFA-based client recognition in Asset & Risk Management

3.5 Colleagues and superiors

For the analysis of the value of the CFA designation with regard to its recognition by fellow professionals, the data contributed by self- and non-employed professionals have been exempted. When analysing the aspect of the CFA designation's recognition by superiors, also the answers of responding managing directors aren't taken into consideration, since they generally do not report to ,superiors' as do the preceding hierarchical levels.

As a general result, CFA charterholders perceive to impress their colleagues with their CFA title (score of 1.02 on the scale from -2 to +2). The professional areas where the CFA designation gains the most recognition amongst fellow employees are Regulator / Central Banks, Controlling / Revision, Marketing / Sales and Educational / Professional Institutions – all of which are fields where the CFA designation is not yet very widespread. Consequently, the designation's home turf of Asset & Risk Management exhibits a below-average and the second-lowest recognition score of 0.97. Interestingly, the CFA-based recognition by colleagues seems to be highest on the ranks of middle to upper management.

	Specialist	Team Head	Department Head	Division Head	Managing Director	All employed in profession
Asset & Risk Management	0.91	0.95	1.25	1.30	1.00	0.97
Consulting	1.08	0.91	1.40	1.00	1.00	1.06
Corporate Finance	1.08	1.17	1.00	1.00	1.50	1.14
Investment Banking	1.00		1.00			1.00
Controlling / Revision	1.50			1.00		1.33
Educational / Professional Institution	1.00	1.00		1.67	1.00	1.29
Marketing / Sales	1.00	1.25				1.20
Auditing	1.00	1.00	1.00	0.50		0.91
Regulator / Central Bank etc.	1.33	1.50			1.00	1.33
Other	0.75		2.00		0.00	1.00
All in professional status	0.95	1.02	1.27	1.17	1.07	1.02

positive / neutral effect on CFA-based recognition by colleagues

Figure 18 – CFA-based recognition by colleagues

The CFA-based recognition by superiors turned out quite positively as well, but with a markedly lower average score of 0.78, reflecting superiors' naturally more holistic judgement about their staff, which entails a relativisation of formal qualifications. Nevertheless, the industries where the CFA title earns the biggest impression remain the same: Regulation / Central Banks, Controlling / Revision and Educational / Professional Institutions. Again, as opposed to professional areas which are more rarely embarked on by CFA charterholders, in Asset & Risk Management there is a more limited scale to wow management with a CFA title. In Marketing / Sales, it makes – surprisingly – almost no difference whether one is a CFA charterholder or not. Just as with recognition by fellow professionals, the most CFA-based recognition by superiors is paid to CFA charterholders in middle and upper managerial positions.

	Specialist	Team Head	Department Head	Division Head	All employed in profession below MD level
Asset & Risk Management	0.66	0.75	1.13	1.50	0.77
Consulting	0.50	0.73	1.00	0.50	0.65
Corporate Finance	0.58	1.17	1.00	1.33	0.88
Investment Banking	0.92		1.00		0.93
Controlling / Revision	1.00			1.00	1.00
Educational / Professional Institution	0.50	1.00		1.33	1.00
Marketing / Sales	1.00	0.00			0.20
Auditing	1.00	1.00	1.00	0.50	0.91
Regulator / Central Bank etc.	1.67	0.00			1.00
Other	0.50		1.50		0.83
All in professional status	0.69	0.72	1.09	1.17	0.78

positive / neutral effect on CFA-based recognition by superiors

Figure 19 – CFA-based recognition by superiors

3.6 Job security

The analysis of CFA-related job security segments participants according to professional experience – as opposed to hierarchical levels –, since this criterion is more closely related to the concept of 'duration of service', which, as a particularity of German employment law, is one of the four decisive criteria (together with age, financial obligations to children and disability), which count in situation of redundancies induced by operational business¹. With a score of 0.22 based on the total sample of respondents, the CFA designation contributes positively overall to charterholders' job security - though not excessively. With regard to professional experience, a decreasing contribution to job security is attributed to the CFA designation from the career start onwards along one's professional life. Negative scores as contributed by respondents for this study, which imply an adverse effect of the CFA designation in terms of job security, are definitely an area for further, especially qualitative research. Though inconclusive due to a markedly negative sub-group score, the overall ranking for the highest contribution to job security is led by the professional area of Regulator / Central Banks, followed by the fields of Educational / Professional Institutions and Auditing. The professions where the CFA designation contributes least to job security turn out to be Controlling / Revision, Consulting and Marketing / Sales.

	=< 5 years	6-10 years	11-15 years	16-20 years	> 20 years	All employed in profession
Asset & Risk Management	0.29	0.29	0.16	0.19	0.13	0.20
Consulting	0.43	0.18	0.00	0.00	0.00	0.15
Corporate Finance		0.33	0.14	0.67	0.67	0.39
Investment Banking	0.00	0.75	0.00	0.00	0.00	0.21
Controlling / Revision		0.00	0.25	0.00	0.00	0.09
Educational / Professional Institution		1.00	1.00	-1.00	1.00	0.43
Marketing / Sales		0.00	0.33	0.00		0.17
Auditing	2.00	0.00	0.00			0.40
Regulator / Central Bank etc.	1.00	-2.00	1.00			1.33
Other		0.00	0.00	0.00	2.00	0.29
Across all experience clusters	0.40	0.24	0.17	0.13	0.39	0.22

positive / negative effect

Figure 20 – CFA-based job security

¹ See § 1 (3) German Employment Protection Act ('Kündigungsschutzgesetz' (KSchG))

3.7 Career opportunities

In this section, participating CFA charterholders were asked to evaluate the influence of their CFA designation on the **number of jobs offered** to them on a scale from -2 to +2. As a result, with regard to their professional status, charterholders in middle and upper managerial positions benefit most from their CFA designation. Quite remarkably, the overall responses from those who are not employed turned out more positively (0.50) than answers from those who have a job (0.43) – a sign that also, if not especially, in times of voluntary or non-voluntary unemployment, the CFA designation remains a coveted asset. A somewhat weaker, though still positive effect of the CFA designation on job offers received can be found for expert and team head roles as well as on top management level.

Considering the various professional areas, the CFA designation seems to generate most job offers for charterholders who are employed in the fields of Corporate Finance and Marketing / Sales, whereas its positive contribution in this respect tends to be lower for Investment Banking on the one hand, and functions which are more distant to market action, such as work for Regulator / Central Banks or in Controlling / Revision on the other hand. Results for self-employed charterholders were not analysed, though they might get job offers at times, but our focus remains with professionals employed by firms.

	Specialist	Team Head	Department Head	Division Head	Managing Director	All employed in profession	All not employed
Asset & Risk Management	0.40	0.35	0.88	0.40	0.17	0.41	
Consulting	0.33	0.55	0.20	0.75	1.00	0.45	
Corporate Finance	0.83	0.67	0.67	0.67	0.25	0.68	
Investment Banking	0.15		0.00			0.14	
Controlling / Revision	0.33	0.00	0.67	0.00		0.27	
Educational / Professional Institution	0.00	0.00		1.00	0.00	0.43	
Marketing / Sales	0.67	0.50			1.00	0.66	
Auditing	0.00	0.75				0.60	
Regulator / Central Bank etc.	0.00		1.00			0.33	
Other	0.25		0.50		1.00	0.43	
All in professional status	0.40	0.40	0.59	0.57	0.36	0.43	0.50

positive / neutral effect

Figure 21 – Impact of CFA designation on number of jobs offered

Secondly, the impact of the CFA designation on the **quality of jobs offered** was investigated. CFA charterholders in upper management, i.e., on a division head level, experience the most positive effect of their CFA designation in this respect. On the contrary, CFA charterholders on a specialist level benefit the least, but they still receive job offers of a higher quality than those, which they would get without a CFA designation. All other sub-groups, including those who are currently not employed, experience an increase in the quality of job offers in between the two sub-groups mentioned before. Amongst professional areas, there are several which experience no or almost no positive impact of the CFA designation in this respect, such as Auditing and Regulator / Central Banks, which might be due to specific or more formalistic qualification requirements, but also Investment Banking, where the result can't be easily explained. On the other side, for charterholders employed in the fields of Educational / Professional Institutions, Marketing / Sales or Corporate Finance, there is a positive impact of their CFA designation.

	Specialist	Team Head	Department Head	Division Head	Managing Director	All employed in profession	All not employed
Asset & Risk Management	0.40	0.50	0.88	0.50	0.17	0.44	
Consulting	0.33	0.55	0.20	0.25	1.00	0.39	
Corporate Finance	0.50	0.67	0.33	0.67	0.50	0.54	
Investment Banking	0.08		0.00			0.07	
Controlling / Revision	0.33	0.67	0.67	0.00	0.00	0.45	
Educational / Professional Institution	0.00	1.00		1.60	1.00	1.00	
Marketing / Sales	0.67	0.50			1.00	0.67	
Auditing	0.00	0.00				0.00	
Regulator / Central Bank etc.	-0.50			1.00		0.00	
Other	0.25		0.00		1.00	0.29	
All in professional status	0.35	0.51	0.50	0.61	0.50	0.43	0.50

positive / negative effect

Figure 22 – Impact of CFA designation on quality of jobs offered

Thirdly, apart from the impact of the CFA designation on the number and quality of job offers received by charterholders, a question on the CFA-driven **chances to change one's employer** when searching proactively oneself was asked. With an overall score of 0.84, career opportunities are pronouncedly positively influenced by the CFA designation. In terms of hierarchical levels, the holders of lower and middle managerial positions feel the strongest influence of the CFA designation on their career opportunities. As one would expect, at Managing Directors' level, a professional qualification is less important when it comes to career opportunities.

Regarding the different professional areas, the CFA designation boosts career opportunities strongly in the field of Regulator / Central Bank roles, followed by Marketing / Sales and Corporate Finance. The least influential is the CFA designation on career opportunities for charterholders working for Educational / Professional Institutions as well as in Controlling / Revision and Investment Banking.

	Specialist	Team Head	Department Head	Division Head	Managing Director	All employed in profession
Asset & Risk Management	0.86	0.85	1.13	0.70	0.50	0.85
Consulting	0.75	1.00		0.50	1.00	0.85
Corporate Finance	0.92	1.17	1.33	1.00	0.50	0.96
Investment Banking	0.69		1.00			0.71
Controlling / Revision	0.67	0.67	1.00	0.00		0.64
Educational / Professional Institution	0.50	1.00		1.00	0.00	0.71
Marketing / Sales	1.33	0.50			1.00	1.00
Auditing	1.00	0.75				0.80
Regulator / Central Bank etc.	0.00			2.00		1.33
Other	0.50		1.00		1.00	0.71
All in professional status	0.82	0.89	1.09	0.74	0.57	0.84

positive / neutral effect

Figure 23 – CFA-based chances to change employer

3.8 Self-confidence

Overall, the CFA designation, with a score of 1.08, contributed 'positively' to respondents' self-confidence. There is not a single negative answer on an individual or sub-group level to this aspect. Amongst employed respondents, attributions from those in basic and middle managerial responsibilities were particularly positive – similarly high as the scores awarded by self-employed charterholders. It is worth mentioning that also the sub-group of CFA charterholders currently unemployed derives a comparatively high self-confidence from the CFA designation.

When comparing the different professional areas, the CFA designation, with regard to self-confidence, serves best for the field of Marketing / Sales and also comparatively well for charterholders employed in Educational / Professional Institutions, Investment Banking and Auditing. A possible explanation for this result could be the fact that the 'Big Four' Auditing companies recognize the CFA title increasingly as a professional designation, which is gaining in attractiveness in their respective specialized departments. The latter result is somewhat surprising, since the other professional areas, which are more supervisory in nature and peripheral to the operational markets, namely Regulator / Central Banks as well as Controlling / Revision, reflect below-average contributions of the CFA designation to the self-confidence of their respondents. In CFA's more 'traditional' professional areas like Asset & Risk Management, Consulting and Corporate Finance, the CFA designation contributes below-average for charterholders in terms of self-confidence.

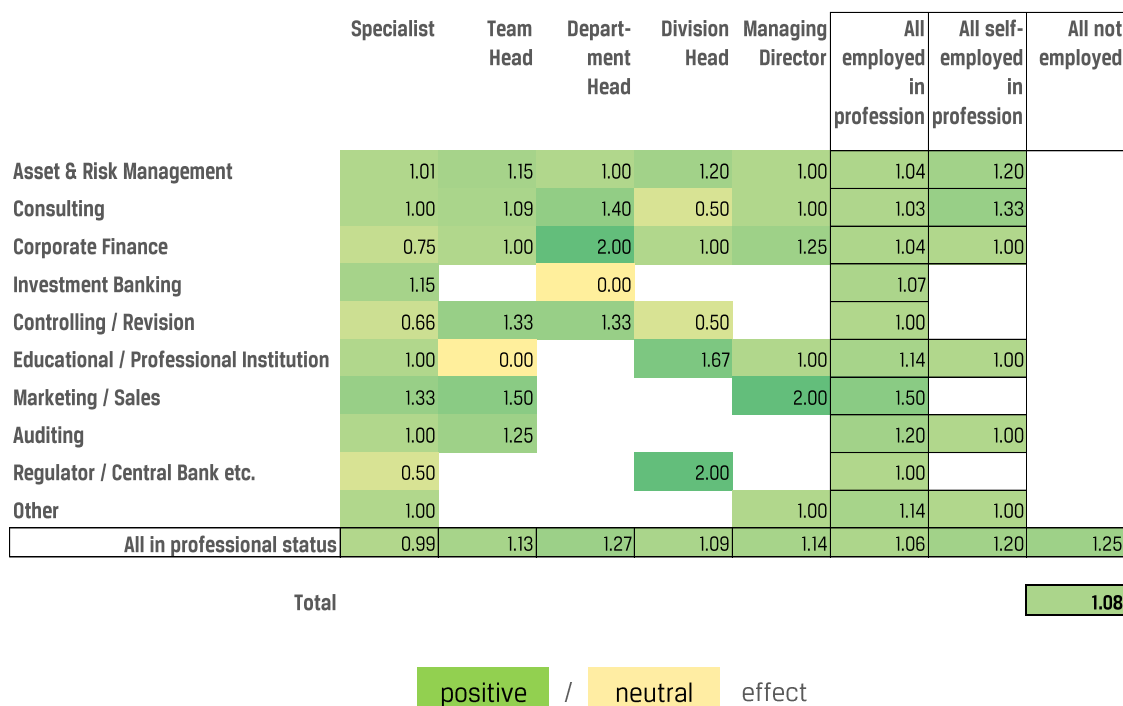


Figure 24 – Contribution of CFA designation to self-confidence

3.9 Professional network

In terms of networking, the resulting scores are markedly positive, though somewhat below those which are associated with CFA charterholders' recognition by colleagues and in terms of their self-confidence. At first sight, the response pattern to the question about the CFA designation's contribution to charterholders' professional network looks very heterogeneous. However, one of the emerging patterns mirrors the separation lines witnessed earlier in this study: professionals who work in the fields of Marketing / Sales and for Educational / Professional Institutions register an above-average benefit. Those who work in the field of Controlling / Revision, for a Regulator / Central Banks or in Auditing experience the weakest contribution from the CFA designation to their networks. Respondents from all other professional areas rank somewhere inbetween.

Sliced according to experience clusters, the data reveal a type of J-curve effect: relatively early in one's career, the CFA designation appears as most helpful in terms of network formation, with the ,starters' cluster (less than or equal to 5 years of experience) exhibiting the highest score across all professions. Later on, the networking effect fades out as professional experience builds up as far as 20 years. Only in the last cluster of longest-serving professionals, do respondents again consider their CFA designation to have been more helpful for network formation.

	=< 5 years	6-10 years	11-15 years	16-20 years	> 20 years	All in profession
Asset & Risk Management	0.71	0.97	0.83	0.72	0.78	0.83
Consulting	1.00	1.08	0.75	0.70	0.00	0.87
Corporate Finance		0.92	1.14	1.25	1.33	1.10
Investment Banking	1.00		0.50	1.00	1.00	0.86
Controlling / Revision		0.25	0.75	0.00	1.00	0.45
Educational / Professional Institution		1.00	1.00	1.50	1.25	1.25
Marketing / Sales		1.50	0.67	2.00		1.17
Auditing	2.00	0.50	0.00			0.67
Regulator / Central Bank etc.	1.00	0.00	1.00			0.67
Other		1.00	1.00	0.67	1.00	0.88
Across all experience clusters	1.00	0.94	0.83	0.78	0.97	0.87

positive / neutral effect

Figure 25 – CFA-based contribution to professional network

3.10 Additional aspects

Apart from aspects which were pre-set by the body of questions, some respondents hinted at additional professional aspects which are influenced by holding the CFA designation:

Very positive influence of CFA designation (score of or around +2) on:

- Standardisation of professional terminology facilitates interaction of professionals around the world

Positive influence of CFA designation (score of or around +1) on:

- Quality of professional events attended
- Understanding of the financial industry
- Recognition by external parties such as business / management consultancies or audit companies

4.1 Conclusions

Several aspects which were generally assumed thus far to be valuable effects of the CFA designation have been confirmed and quantified by this study. Amongst these are an abundant recognition by clients, prospects, colleagues and superiors, a positive contribution to job security, an increase in the number and quality of jobs being offered, as well as chances to succeed upon active job applications. Higher levels of self-confidence – regardless of being employed or not – and improvements in the quality of professional networks can also clearly be attributed to the CFA designation.

Moreover, the study provides novel insights on a number of levels:

First of all, the attractiveness of Asset & Risk Management, the traditional 'home turf' for CFA charterholders, seems to be declining on a relative basis: in terms of career opportunities, recognition by others, monetary contribution and hierarchical progress, this sector displays below-average results, as the CFA designation increasingly turns into a standard and prerequisite. Alternative professional realms emerge with a higher relative attractiveness for CFA charterholders in one or more of these respects, such as working in Regulator / Central Bank roles, Educational / Professional Institutions, in Controlling, Revision and Marketing departments or in the Consulting business.

Secondly, out of 10 responding CFA charterholders, 1 is self-employed, 5 work on a specialist level, and 4 have leadership responsibilities which range from team heads to managing directors. Given that the CFA program doesn't provide formal management skills, this remarkable result hints at high degrees of professional excellence and personal qualities typically demonstrated by CFA charterholders, a pronounced majority of which explicitly stated that the CFA designation was either helpful, very helpful or decisive for climbing up the career ladder.

Thirdly, the unfolding of the CFA designation's value exhibits a long-term effect associated with leadership: career opportunities appear to really kick into gear once CFA charterholders have been assigned managerial responsibility for a team, department or division – long after their CFA designation first contributed to network formation in one's earlier professional years.

Fourthly, the CFA designation pays off – even in mundane, monetary terms. Charterholders at early stages of their career have been able to capitalize on their designation at lower proportions while they experience a buoyant future outlook. At later stages a higher proportion is attributed to the charter while – naturally – the future outlook to achieve pay rises may be more limited. But: however conservatively one sets the assumptions – over a CFA charterholder's professional life, on average, an economic value added to compensation in 5- or 6-digit terms, regardless of the currency being EUR, USD or GBP, can be expected.

4.2 Recommendations

In light of its manifold positive results, this study underscores the clear success of the CFA program and encourages CFA Institute and CFA Society Germany to keep up their immense efforts and determination to provide an up-to-date, world-class professional designation, as well as commensurate continuing professional development activities to their members. In light of the study's findings, several recommendations are given to the following groups:

Non-CFA charterholders are made aware by this study of the manifold valuable aspects of the CFA designation in terms of higher self-confidence, recognition by existing and future clients, fellow employees and superiors. The value added regarding network, career opportunities, job security and pay has been underscored in this study. As stated earlier, the combination of having managerial responsibilities and being a CFA charterholder seems to be particularly advantageous in terms of career opportunities. Therefore, not only professionals in their early career stage, but also and explicitly team, department and division heads should feel encouraged to sign up for the CFA program .

CFA charterholders should recognize the great value their CFA designation holds for them across their professional life and carry the CFA title with enduring pride. Also, the wider attention which the financial industry pays to the CFA designation in terms of evolving attractive professional realms, career opportunities, recognition, networks and pay should be taken into consideration, when deciding for a career initially or when looking for a change after several years, in particular around middle and upper management stages. In the traditionally most chosen career path of Asset & Risk Management, the CFA designation increasingly sets the standard and becomes less of a fast track accreditation.

CFA Society Germany as well as fellow CFA Societies, to which the findings of this study should largely apply, are encouraged to account for the growing professional diversity of members by further broadening the topical mix of Continuing Professional Development (,CPD') events provided and also systematically including elements which aim at improving leadership qualities. Employer outreach activities, including CFA Society Germany's new Ambassador Program, should increasingly be geared towards the additional professional areas of interest for local CFA charterholders. Employers should be encouraged to include their charterholders' CFA designation on business cards and company publications. Should the level of CFA membership fee(s) be challenged for being too high, this study should provide factual argumentation about the distinct economic value received in exchange.

CFA Institute – should the findings from Germany be confirmed by other or further international CFA research –, is kindly asked to acknowledge and monitor the growing diversity of professional directions, which CFA charterholders embark on and to gradually account for this trend by adapting its Global Body of Investment Knowledge (,GBOIK'), the Candidate Body of Knowledge (,CBOK'), and the CFA curriculum accordingly, as well as to structure the evolving CPD career pathing activities to reflect the observable relative importance of different professional areas for its members. Considering the above-industry-average proportion of managerial positions held by CFA charterholders, CFA Institute might consider supporting the leadership aspirations of its members with a credible, institutionalised and high-quality soft-skill and managerial training.

5. Areas for further research

Related to demographics:

1. The high response rate indicates a wider interest in itself, and, moreover, surveys on international levels would also add to statistical significance and close some of the gaps within the demographic clusters of this study due to the limited population.
2. Though the subgroup of our members being currently not employed is very small, it would be qualitatively important to distinguish between different status such as retirement, voluntary sabbaticals, temporary unemployment etc.
3. About 40% of respondents have leadership responsibilities. Given the fact that the CFA program does not aim at providing formal leadership skills, it would be interesting to know more about how our members grow into managerial responsibilities: which role does professional excellence play (which certainly has a lot to do with the CFA program) when it comes to getting promoted, and to which extent can members build on their 'CPD mindset' to prepare for leadership later on in their career? Which other factors help them in climbing up the career ladder?
4. Additional insights could be derived from clustering employers into categories of size.

Related to other findings:

5. The interesting overall and the diverse profession-specific patterns of the CFA designation's propulsive power throughout the career stages could be better investigated with additional qualitative information from survey participants.
6. Having investigated the value of the CFA as one's presumably 'initial' professional education, similar studies pertaining to the value of CPD could complete the picture of the value of professional education altogether.
7. On several occasions, negative scores were given by respondents. In light of the overall very positive findings, a follow-up study could shed light on this phenomenon and qualitatively ask about the reasons for negative scores.
8. A follow-up study on the value of the CFA designation would underscore the stability of these initial results and also shed more light on potential new trends emerging.
9. It would be interesting to know to which extent the CFA designation has become a prerequisite for getting employed in the various professional areas.

Demographic questions

1. Your professional experience comprises...

- ≤ 5 years
- 6-10 years
- 11-15 years
- 16-20 years
- > 20 years

2. Your professional status is best described by...

- Currently not employed
- Self-employed
- Specialist without leadership role
- Team head
- Department head
- Division head
- Managing director / CEO

3. Your responsibilities are best described by...

- Asset & Risk Management
- Consulting
- Corporate Finance
- Investment Banking
- Work for Regulator / Central Bank
- Educational / Professional Institution
- Auditing
- Marketing & Sales
- Other, please specify: _____

Questions on the CFA designation (1/2)

4. Which percentage of your current compensation do you attribute to the CFA designation?

%

5. How many percentage points do you estimate the CFA designation to contribute to a compensation increase when changing the employer?

%

6. The CFA designation has been of the following usefulness for the following career step:
0 (of no use), 1 (useful), 2 (very useful), 3 (decisive):

	0	1	2	3
Starting out as a specialist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Move up from specialist to team head	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Move up from team to department head	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Move up from department head to division head	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Move up from division head to Managing Director / CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. You have your employer's permission to carry the CFA title on...

	yes	no
Business cards	<input type="radio"/>	<input type="radio"/>
Employer's publications	<input type="radio"/>	<input type="radio"/>

Questions on the CFA designation (2/2)

8. The CFA designation has the following effects on... on a scale from -2 (very negative), -1 (negative), 0 (neutral), +1 (positive), +2 (very positive):

	-2	-1	0	+1	+2
Recognition from clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chances of winning beauty contests (RfI, RfP etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition from colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recognition from superiors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professional network	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Job security	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of job offers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of job offers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chances to change the employer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other aspect, please specify: _____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

General remarks:

- The original survey was conducted in German language
- Questions 3, 4, 6 and 7 were cut out if 'currently not employed' was selected
- Questions 6 and 7 were cut out if 'self-employed' was selected
- Question 6 was automatically asked only up to the highest level currently employed at

Appendix 2

Statistics of respondents I Respondents per professional area and hierarchical level

Level of hierarchy	Specialist	Team Head	Department Head	Division Head	Managing Director	Total employed	Self-employed
Professional area							
Asset & Risk Management	93	20	8	10	6	137	5
Consulting	12	11	5	4	1	33	6
Corporate Finance	12	6	3	3	4	28	1
Investment Banking	13		1			14	
Controlling / Revision	3	3	3	2		11	
Education / prof. inst.	2	1		3	1	7	1
Marketing / Sales	3	2			1	6	
Auditing	1	4				5	1
Regulation / Central bank etc.	2			1		3	
Other	4		2		1	7	1
	145	47	22	23	14	251	15
	Total employed and self-employed					266	
	Not employed					4	
	Total sample					270	

Figure 26 - Respondents per professional area and hierarchical level

Statistics of respondents II
Respondents per professional area and experience cluster

Experience	≤ 5 years	6-10 years	11-15 years	16-20 years	>20 years	Total
employed						
Asset & Risk Management	7	35	44	36	15	137
Consulting	7	11	7	7	1	33
Corporate Finance		12	7	3	6	28
Investment Banking	4	4	4	1	1	14
Controlling / Revision		4	4	2	1	11
Education / prof. institution		1	1	2	3	7
Marketing / Sales		2	3	1		6
Auditing	1	3	1			5
Regulation / Central bank etc.	1	1	1			3
Other		2	2	2	1	7
Sum	20	75	74	54	28	251
self-employed						
Asset & Risk Management			2		3	5
Consulting		2	1	3		6
Corporate Finance				1		1
Education / prof. institution					1	1
Auditing		1				1
Other				1		1
Sum		3	3	5	4	15
not employed						4
Total sample						270

Figure 27 - Respondents per professional area and experience cluster

Appendix 3

Details of t-tests

Group descriptions	N	Minimum value	Maximum value	Mean value	Standard deviation
Current compensation	251	0.00%	100.00%	6.5220%	10.021%
Future pay-rise	251	0.00%	200.00%	9.7771%	15.409%

Group statistics	N	Mean value	Standard deviation	Standard error of mean value
Current compensation, prof. experience ≤ 10 years	95	4.0526%	5.6988%	0.5847%
Current compensation, prof. experience > 10 years	156	8.0258%	11.673%	0.9346%
Future pay-rise, prof. experience ≤ 10 years	95	12.326%	21.713%	2.2277%
Future pay-rise, prof. experience > 10 years	156	8.2247%	9.5215%	0.7623%

t-tests of independent sub-groups	Levene test for equality of variance		t-test for equality of mean values						
	F	Significance	T	df	Significance 2-sided	Mean difference	Standard error of difference	Lower 95% confidence interval of difference	Upper 95% confidence interval of difference
Current comp. – assumption: variances are equal *)	9.721	.002	+3.10	249	.002	+3.97%	+1.28%	+1.45%	+6.50%
Current comp. – assumption: variances not equal			+3.60	240	.000	+3.97%	+1.10%	+1.80%	+6.14%
Future pay-rise – assumption: variances are equal **)	3.136	.078	-2.06	249	.041	-4.10%	+1.99%	-8.03%	-0.18%
Future pay-rise – assumption: variances not equal			-1.74	116	.084	-4.10%	+2.35%	-8.77%	+0.56%

*) We concluded that variances are indeed different from each other

**) We regarded variances being different from each other, assuming a 10% level of significance

Figure 28 – Details of t-tests



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