Introduction

The Institute for Supply Management® (ISM®) surveyed supply management practitioners during February and March 2015 to profile compensation packages in the supply management profession. This report presents summary results of the survey that collected data on compensation earned during the 2014 calendar year. A full report is available to ISM members in the online Career Center. Nonmembers may also purchase the full report. The full report provides breakdowns of compensation by job title, years of experience, education level, certification status, buying responsibility, location and other factors. Demographic information on the respondents is also reported.

Average annual compensation for supply management professionals who responded to the survey was US$101,944. The average salary for the men who responded was $107,144, compared with $96,787 for women respondents. The median salary was $87,000. The average of the top five percentile of salaries was $329,225. In all, 38 percent of respondents reported earning $100,000 or more.

Average Salary by Position

<table>
<thead>
<tr>
<th>Position</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief, Procurement/Supply Management/Sourcing</td>
<td>$229,588</td>
<td>$201,259</td>
<td>$269,200</td>
</tr>
<tr>
<td>Vice President, Procurement/Supply Management/Sourcing</td>
<td>$216,794</td>
<td>$211,632</td>
<td>$185,544</td>
</tr>
<tr>
<td>Director, Procurement/Supply Management/Sourcing</td>
<td>$145,464</td>
<td>$146,672</td>
<td>$143,679</td>
</tr>
<tr>
<td>Manager, Procurement/Supply Management/Sourcing</td>
<td>$99,482</td>
<td>$103,070</td>
<td>$92,128</td>
</tr>
<tr>
<td>Experienced Procurement and Supply Chain Management Practitioner</td>
<td>$83,347</td>
<td>$88,240</td>
<td>$78,484</td>
</tr>
<tr>
<td>Emerging Procurement and Supply Chain Management Practitioner</td>
<td>$68,912</td>
<td>$70,076</td>
<td>$67,674</td>
</tr>
<tr>
<td>Other</td>
<td>$88,103</td>
<td>$112,026</td>
<td>$73,001</td>
</tr>
</tbody>
</table>

Average Salary by Years of Work Experience

In terms of experience in the supply management field, those with four or fewer years of experience earned an average salary of $76,216; those with five to eight years of experience earned $81,929; those with nine to 14 years of experience earned an average salary of $94,476; and those with 15 to 19 years of experience earned an average salary of $121,275. Respondents with the most experience, 20 years or more, earned an average salary of $115,248.

Average Salary by Education Level

One of the major factors affecting salary and professional achievement continues to be education. Those with a bachelor’s degree earned an average of $94,416, while the average for those with a doctoral degree was 31 percent higher at $124,075. Among all degree holders, average salaries were highest for respondents with a business (other than supply chain) degree. They reported an average salary of $107,686.
Average Salary by Certification

Respondents who hold one or more certifications reported an average salary that was higher than those who do not. The average salary for respondents with one or more ISM credentials was $106,797, compared with $102,046 for those without a credential. Respondents who hold an ISM credential (CPSM®, CPSD™, C.P.M., or A.P.P.) are earning 5 percent more in average salary as compared to those without a professional certification. Respondents with a CPSM® are earning an average salary of $109,846, compared with $100,579 for those who lack that designation (a 9 percent premium).

Average Salary by Geographic Region

Average salaries vary by location. The average salary by geographic region is reported below.

- East North Central: $100,529
- East South Central: $93,999
- Middle Atlantic: $105,358
- Mountain: $85,802
- New England: $107,540
- Pacific: $102,013
- South Atlantic: $104,652
- West North Central: $92,480
- West South Central: $131,652

Bonuses and Stock Options

Bonuses were earned by 61 percent of all respondents. The average bonus received was $21,325, which represented 21 percent of the total gross salary received. The average of the top five percentile of bonuses was $165,253. Stock options were earned by 11 percent of all respondents. The average estimated dollar value of the stock options received was $28,705.

Organizational Size

The average salary earned typically increased with the size of the organization, both in terms of annual revenue and number of employees. In terms of revenue, above-average salaries are reported in organizations with total gross revenues of $1.2 billion or more. In terms of employee size, above-average salaries are reported by respondents in organizations with 500 to 1,999 employees and 5,000 or more employees.

Industry

Industries with average salaries that exceeded the overall average included information (publishing, entertainment, and service provider industries); arts, entertainment and recreation; mining; accommodation and food services; retail trade; professional, scientific and technical services; finance and insurance; utilities. Industries with average salaries that fell below the overall average included: manufacturing; health care and social assistance; agriculture, forestry, fishing and hunting; construction; wholesale trade; other services; management of companies and support services; transportation and warehousing; educational services; real estate, rental and leasing; public administration.

How the Survey Was Conducted

For the tenth year in a row, ISM has collected salary and job information from supply management professionals. The survey was conducted during the February and March 2015. A random sample of customers (including both members and nonmembers) was pulled from ISM’s database. An email invitation requesting participation in the survey was then sent to these customers. Five reminders were sent to individuals who had not yet completed their survey as of the time the reminder was scheduled to send. As an incentive to participate, individuals were offered the opportunity to enter a drawing for 10 $100 gift cards.

Respondents were asked to report compensation information for the 2014 calendar year. Compensation included (reported separately) wages, bonuses and stock options received before taxes and deductions. In all, a total of 2,997 usable responses were received, representing a net response rate of 4 percent. For the fourth time, respondents were asked if they were employed for the full year. One hundred twenty-eight, or 4 percent, of the respondents indicated they were not employed for the full year (compared with 3 percent in 2013). The results posted exclude those not employed for the full calendar year of 2014.