Introduction

The Institute for Supply Management® (ISM®) surveyed supply management practitioners during February 2014 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 2013 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 salary for supply management professionals who responded to the survey was US$101,608 (not including bonuses and stock options before taxes and deductions). The average salary for the men who responded was $112,677, compared with $87,071 for women respondents. The median salary was $88,000. The average of the top five percentile of salaries was $298,420. 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>$295,037</td>
<td>$276,622</td>
<td>$364,091</td>
</tr>
<tr>
<td>Vice President, Procurement/Supply Management/Sourcing</td>
<td>$202,940</td>
<td>$205,986</td>
<td>$194,413</td>
</tr>
<tr>
<td>Director, Procurement/Supply Management/Sourcing</td>
<td>$149,186</td>
<td>$157,854</td>
<td>$130,502</td>
</tr>
<tr>
<td>Manager, Procurement/Supply Management/Sourcing</td>
<td>$103,959</td>
<td>$108,326</td>
<td>$95,615</td>
</tr>
<tr>
<td>Experienced Procurement and Supply Chain Management Practitioner</td>
<td>$78,393</td>
<td>$83,773</td>
<td>$73,253</td>
</tr>
<tr>
<td>Emerging Procurement and Supply Chain Management Practitioner</td>
<td>$66,532</td>
<td>$69,298</td>
<td>$64,460</td>
</tr>
<tr>
<td>Other</td>
<td>$88,289</td>
<td>$111,258</td>
<td>$71,256</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 $72,119; those with five to eight years of experience earned $85,689; those with nine to 14 years of experience earned an average salary of $91,863; and those with 15 to 19 years of experience earned an average salary of $109,662. Respondents with the most experience, 20 years or more, earned an average salary of $113,852.

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 $98,079, while the average for those with a master’s degree was 24 percent higher at $121,475. Among all degree holders, average salaries were highest for respondents with a technical/engineering degree. They reported an average salary of $116,215.
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 credentials was $105,982, compared with $96,655 for those without a credential. Respondents who hold a Certified Professional in Supply Management® (CPSM®) designation are earning 7 percent more in average salary compared with those without credentials. Specifically, respondents with a CPSM® are earning an average salary of $103,415, compared with $96,655 for those who lack a designation.

Average Salaries by Geographic Region

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

- Pacific: $101,523
- Mountain: $88,422
- West North Central: $91,497
- West South Central: $104,703
- East North Central: $101,637
- East South Central: $84,667
- South Atlantic: $111,151
- Middle Atlantic: $102,532
- New England: $109,071

Bonuses and Stock Options

Bonuses were earned by 62 percent of all respondents. The average bonus received was $18,680, which represented 18 percent of the total gross salary received. The average of the top five percentile of bonuses was $127,634.

Stock options were earned by 11.3 percent of all respondents. The average estimated dollar value of the stock options received was $29,435.

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 $500 million or more. In terms of employee size, above-average salaries are reported by respondents in organizations with 2,000 or more employees.

Industry

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

How the Survey Was Conducted

For the ninth year in a row, ISM has collected salary and job information from supply management professionals. The survey was conducted during the first two weeks of February 2014. 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. Four 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 2013 calendar year. Compensation included (reported separately) wages, bonuses and stock options received before taxes and deductions. In all, a total of 2,316 usable responses were received, representing a net response rate of 8 percent. For the third time, respondents were asked if they were employed for the full year. Sixty-six, or 2.8 percent, of the respondents indicated they were not employed for the full year (compared with 4 percent in 2012). The results posted exclude those not employed for the full calendar year of 2013.