



2023 Single Family Office Compensation Summary Report

About this Study

Forge Community launched our first compensation study in 2015, and we have continued to conduct this research and its accompanying report bi-annually. This study remains one of the largest of its kind with data from **330 family offices**. This year also includes an expansion into **27 different executive, family office, and household roles** – a first for Forge. Regionally, there were enough respondents in California, Florida and Texas to analyze some of the data on a state level.

Since our last report – the 2021 Family Office Executive Compensation Survey – our world has changed. Having experienced a pandemic, a workforce with changing demands, and economic uncertainty as headwinds, we are now seeing the accumulated impact on workplace culture. This has brought new challenges related to increased mobility and recruiting in local markets, which includes the conversations around returning to the office, hybrid/remote work, and the overall availability and retention of talent, both at the C-level as well as staff positions

We hear from family offices across the country that compensation is challenging, and we know access to statistically-sound data and peer sharing helps, so we aim to make this report actionable for SFOs (Single Family Offices) to use in deciding their compensation and hiring strategies. To find and retain the best employees, **family offices need to have a clear understanding of compensation, benefits, and hiring benchmarks to stay competitive.**

This report is a summary of data gathered from April through July 2023. **A full report will be available for Forge Community members in the coming months.** For more information on joining Forge, see the final page of this report.

About Forge Community

As one of the largest and fastest growing single family office organizations, Forge Community represents more than 1,700+ members, 80% of whom are referred by their peers for membership. This unique and vibrant group is private, peer-driven, and self-governed. We do not subscribe to the pay-to-play platform experience and as such are able to successfully provide a safe and secure arena where members can share insights, best practices, and challenges with other single family office professionals. Providing digital and analog content and connectivity, we showcase thought leadership, provide knowledge, and promote networking among this unique peer group.

Key Trends in Compensation

38%

of executives received a raise of more than 6% (compared to 15% in 2021)

35%

of executives are female (similar to 2021's survey)

6.5%

of executives identify as non-white



COO is most likely held by a female



\$1B+ AUM offices tend to offer more formalized incentive plans

FROM THE ROAD:

Workplace demographics are changing. Boomers are retiring and younger talent is onboarding with a different type of engagement.

Family offices are still trying to figure out how to best offer hybrid working arrangements.

Top 5 benefits:



Paid holidays



Medical Insurance



401(k)



Dental Insurance



PTO



31% of offices have a board with compensation oversight



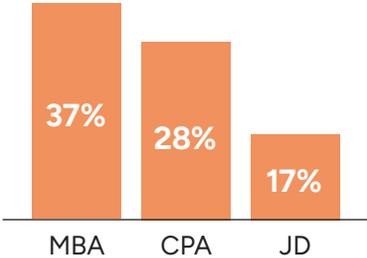
Long term incentives are playing a bigger role in C-level compensation packages

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Professionalization of the C-Suite

A distinct trend we are seeing over the years of surveying family offices is professionalization. Over time, family offices have begun to hire more experienced professionals into leadership. For example, the certifications and degrees held by these executives have had a noticeable trend increase. We are seeing an increase from our 2021 Compensation Survey with today, 37% of CEOs have an MBA and 28% hold their CPA, and an even larger percentage of MBAs and CPAs in offices with over \$500M in AUM.



Our research also shows there are many family offices that have family members in leadership positions. This is especially so in newer offices or those with smaller AUM. For offices with <\$300M AUM, 29% have a family member as a C-level executive who is usually compensated for that role. This drops off with offices at \$1B+ AUM at only 17% with a compensated family member in the role. Generally, as AUM increases, the number of family members holding C-level positions diminishes, even though family members may still be involved in the family office.

One point to note: while having an experienced CEO who is hired externally is becoming more common in family offices, one-third of offices with AUM under \$500M have a family member in the CEO role.



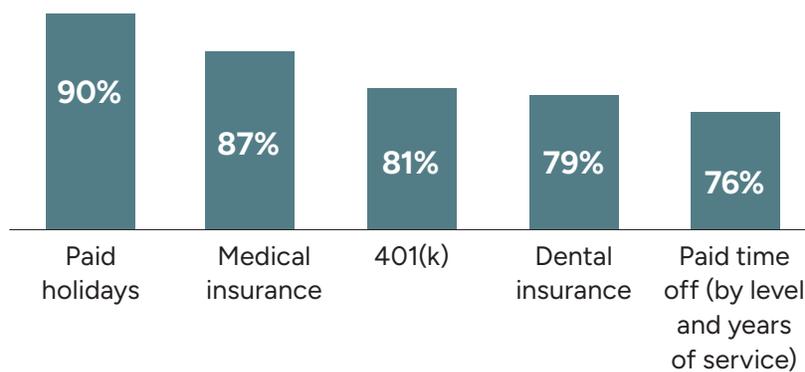
Relationship of CEO to SFO

■ Non-family member
 ■ Family member compensated
 ■ Family member non-compensated



An increase in benefits is another indicator of professionalization of the family office. The top three most common employment benefits across SFOs include: paid holidays (90%), medical insurance (87%), and 401(k) retirement savings plans (81%). These benefits alone are often a requirement to stay competitive in today's hiring marketplace. In addition, we are hearing of an increase in other financial firms (RIAs, MFOs, others) targeting family offices for their employees to work in the new "family office" focused area of their firm. This competition for talent continues to push family offices to professionalize their benefits offering in order to compete for top talent.

For \$1B+ AUM offices, at least eight-in-10 offer those same benefits, with the addition of dental insurance and paid-time-off. More so, additional benefits are included in the overall compensation package for larger AUM firms (those with \$1B+ AUM), including maternity leave (78%) and paternity leave (65%) compared to firms under \$1B AUM at 50% and 32%, respectively.



Profile of a Family Office CEO

Nearly three out of four single family offices have a CEO or President. While most family offices have a CEO in practice, the survey did not take into account CEOs who spend less than 80% of their time as chief executive in the analysis.

Often CEOs fill other C-Suite roles, most often CIO or COO. However, in more than half the offices with \$1B+ AUM, CEO is their only role. With an average tenure of nine and half years, salaries for these CEOs have increased at a median four percent, and we still see strong bonuses and long-term incentives for this position.

From our conversations with Forge members, there is more career mobility than ever for family office executives. In the post-pandemic world, large compensation packages are being offered to attract experienced talent from other firms.

CEO	
Percent of SFOs that have this role	74%
Median Base Salary	\$400,000
2022 Median Bonus Paid	25%
2022 Median LTI Payout	\$291,975
Median Salary Increase	4%

PROFILE OF A FAMILY OFFICE CEO

74%
of SFOs have a CEO who spends 80% or more of their time on the role

62%
of CEOs hold additional executive positions, most common being CIO followed by COO
(This trend most commonly occurs in offices under \$1B in AUM)

27%
of \$1B+ AUM CEOs have tenure of more than 15 years

CEOs in the 90th percentile are earning \$882,000 in annual salary compared to \$280,694 for those in the 25th percentile

CEOs in the 90th percentile received a 10% salary increase compared to no increase for those in the 25th percentile



59% of SFOs use discretionary bonuses for executives

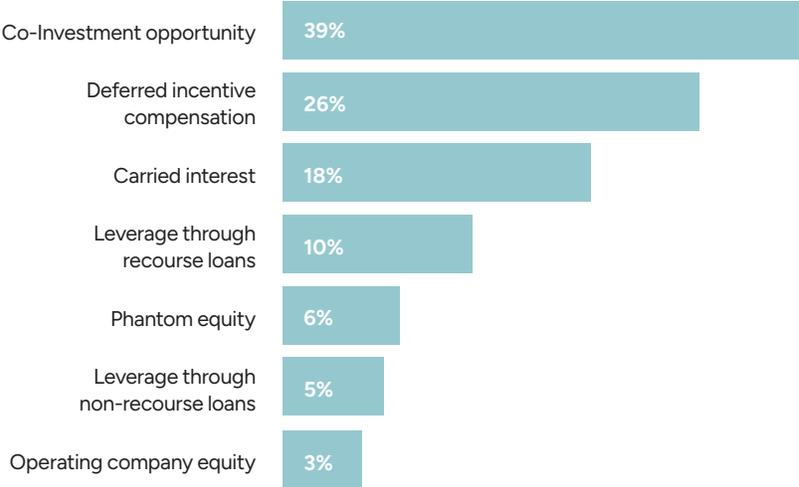


22% of CEOs report receiving LTI

CEO Long-Term Incentives

Long-Term Incentives (LTI) for CEOs are offered to 22% of those surveyed and include a few different award options. The most common awards are co-investment opportunities, deferred incentive compensation, and carried interest. Most award types have a vesting period of three to five years. For some types like co-investments or carried interest, a majority have no vesting period.

Types of Long-Term Incentive Awards Received by CEO in 2022 (Among compensated CEOs)



Overview of Other C-Suite Roles

Chief Investment Officer

When there is a need to grow a family office, many opt to hire a CIO, CFO, or COO to their executive suite. In the 2023 report, 33% of offices report having a CIO. Of these offices, just under half of the CIOs are family members. A change in 2023 shows CIO roles are now held more often by women, with an increase from 10% in 2021 to 18%.

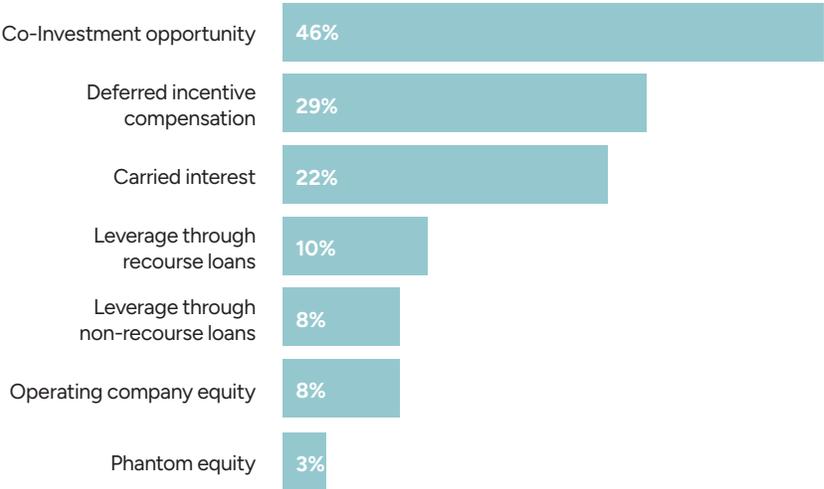
The average tenure of those in this role is around nine years with varied salary, bonus, and incentive structures based on AUM, with the CIO bonus payout being nearly 2.7x higher for a larger AUM SFO.

CIO	
Percent of SFOs that have this role	33%
Median Base Salary	\$373,129
2022 Median Bonus Paid	30%
2022 Median LTI Payout	\$300,000
Median Salary Increase	4%

CIO Long-Term Incentives

Of the CIOs surveyed, 28% are offered an LTI. Similar to the CEO, the most common awards offered to a CIO are co-investment opportunities, deferred incentive compensation, and carried interest. Three-in-four CIOs having no vesting period associated with a co-investment opportunity and approximately 70% of those who received deferred incentive compensation had a vesting period of at least three years.

% of CIOs Received Award in 2022



Chief Financial Officer

Nearly half (48%) of offices report having a CFO, within this role 44% were female. The CFO role seems to be a newer role for some SFO's surveyed, with about a third of CFOs holding a tenure of less than five years. Unlike other C-level roles, we see the smallest number of family members occupying the CFO role, likely due to the specialized nature of the position and credentials required.

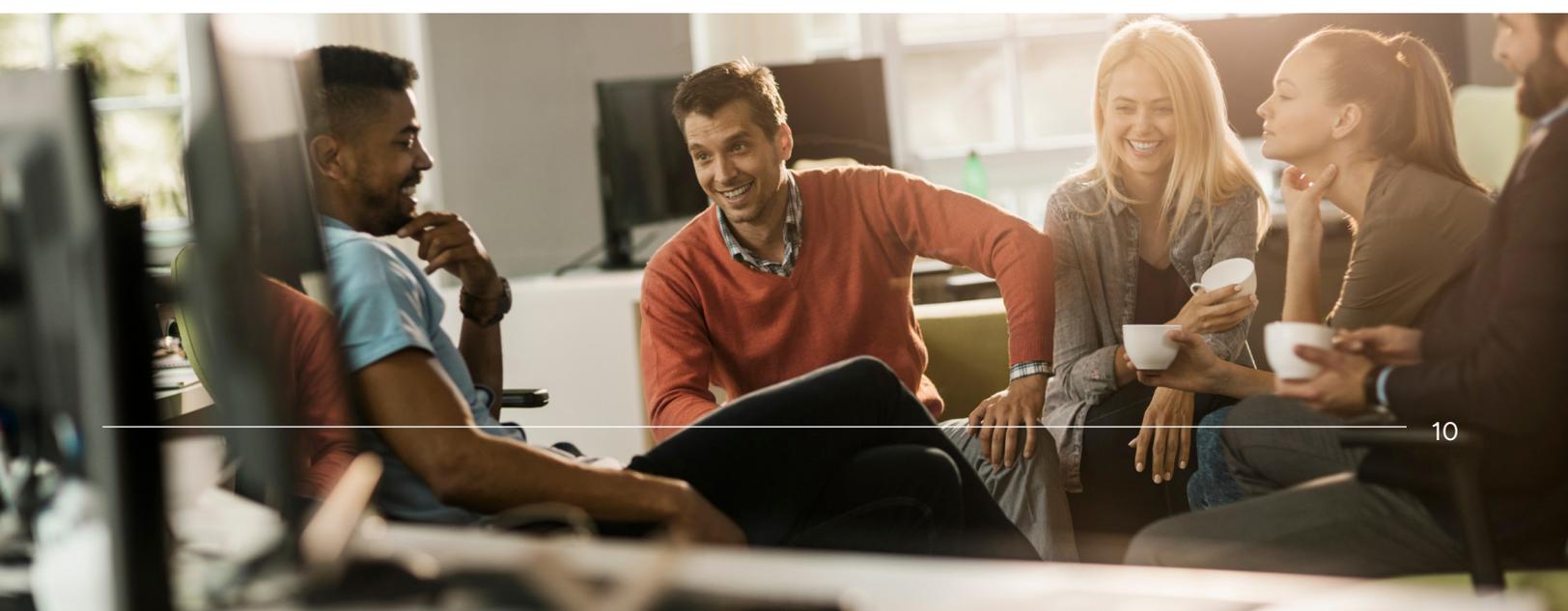
The median salary of the CFO in \$1B+ AUM offices is 1.5x that of the median salary of those in offices with less than \$300M AUM. Median salaries for CFOs have remained mostly flat from 2021 to 2023.

CFO	
Percent of SFOs that have this role	48%
Median Base Salary	\$275,000
2022 Median Bonus Paid	23%
Median Salary Increase	5%

Chief Operations Officer

Rounding out the C-level executives at family offices is the COO. Only 29% of offices have a COO – the least common in family offices. More than 50% of respondents said their COO is female, the most likely of all C-Suite roles to be held by a female. Furthermore, 10% of those who occupy this role are family members. Family offices with \$1B+ AUM (32%) are more likely to have a COO than those with <\$1B AUM (28%).

COO	
Percent of SFOs that have this role	29%
Median Base Salary	\$275,625
2022 Median Bonus Paid	20%
Median Salary Increase	5%

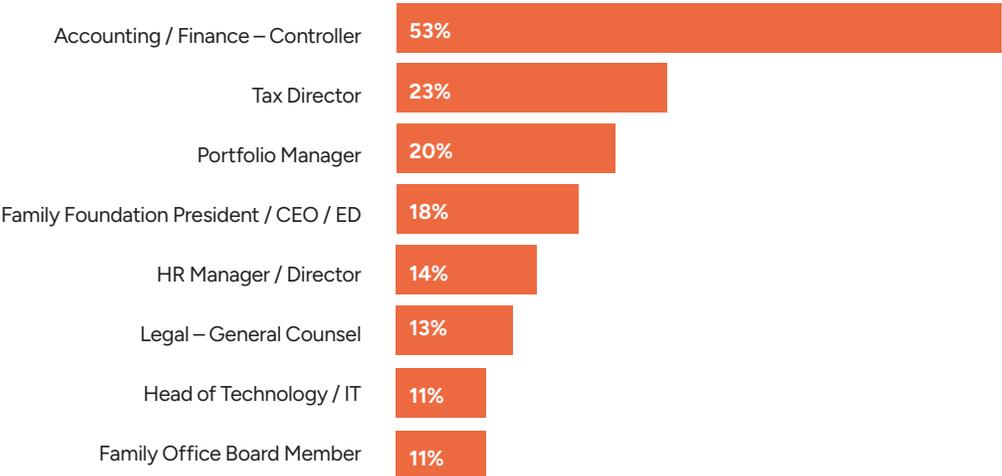


Family Office and Household Employee Overview

In this year’s survey, we began gathering data on 23 new roles within the family and household. Nearly one-quarter of family offices do not have any of the roles surveyed. For the 77% of family offices who do, an Accounting/Finance Controller is the most common position with 53% reporting the role at a \$150,000 median salary. For those with \$1B+ AUM, 7 in 10 have a controller.

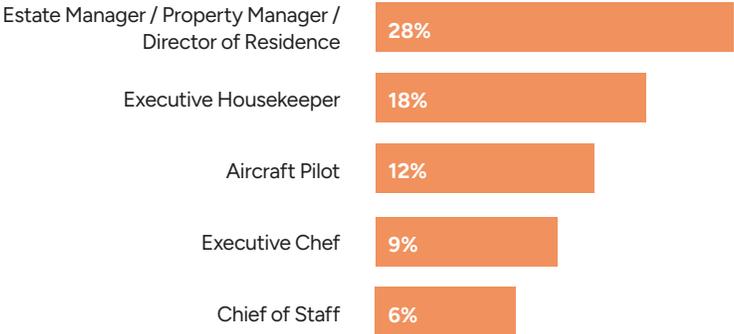
Other common roles include Tax Director (23%) with a median salary of \$165,000 and Portfolio Manager (20%) with a median salary of \$200,000.

Other Roles in the Single Family Office



Looking to other roles outside of the family office, 41% of SFOs report roles in the household or supporting family lifestyle needs. The most common position held is an Estate Manager/Property Manager with a median salary of \$113,500. Other common roles include an Executive Housekeeper (18%) and Aircraft Pilot (12%). Respondents reported other roles including Yacht Captain, Nanny/Au Pair, and Head of Security much less often.

Other Roles Outside the Single Family Office



Full Report Details

The Forge Community is a non-commercial, peer-to-peer network of single family offices. We have grown organically from a gathering of eight single family office group leaders to a platform of 1,700+ members, extending invitations to individuals and like-minded peer groups to build a diverse and engaged community.

Our community is where single family offices gather to gain unbiased perspective, exchange ideas, and find answers to their questions. Moreover, every member of Forge Community agrees to the Forge Community Pledge. This pledge, which is a code of conduct for our members, must be renewed annually. Our pledge helps us continue to grow in line with our values and build trust amongst our members.

Our members are the reason Forge exists today, and we want to continue to grow with the same focus on quality and reputation we have always had. Our peer-driven Committee process takes a balanced and holistic approach to ensure the best member experience we can provide, regardless of family office size, complexity or structure

A full report of the 2023 Compensation Survey will be available only to members of Forge Community. If you are interested in joining and meet our membership qualifications, visit forgecommunity.com and fill out a membership application. Once your application is received, one of our team members will reach out to ensure Forge is a fit for both you and our community.





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