Market Volatility Adds to Uncertainty in 2018 Compensation Season

2018 Asset Management Compensation

November 27, 2018

Executive Summary:



Greenwich Associates and Johnson Associates are projecting asset management incentive compensation to increase by approximately 5% this year.

Although that number represents a respectable year-on-year increase, the estimate was leaning higher just a few months ago.

Volatility and slowed business momentum has added uncertainty and introduced an element of downside risk that could push final pay numbers lower if markets remain unsettled.

Methodology:

ABOUT THIS REPORT

In this report, Greenwich Associates and Johnson Associates present the key findings of their joint 2018 Asset Management Compensation Study. Results are based on data collected by Greenwich Associates through telephone and in-person interviews with more than 1,000 U.S.-based financial professionals in equity and fixed-income investor groups at investment management firms, mutual funds, hedge funds, banks, insurance companies, government agencies, and pensions and endowments, as well as users of foreign exchange at large corporations and financial institutions.

Armed with this self-reported data as a baseline, Johnson Associates uses proprietary information on compensation and other industry data to project compensation levels and trends for 2018. Johnson Associates actively monitors compensation trends and issues through intensive research and ongoing client assignments. In select areas, the self-reported information from investment professionals may not necessarily align directly with overall market trends. Some of these variances can be explained by different sample sets of professionals year-over-year or specific circumstances related to individuals (transfers, new hires, promotions, change of job, etc.).

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