

# The remuneration of corporate treasurers



**SIMON COXON AND CHRIS CAMPBELL** OF THE CURZON PARTNERSHIP ANALYSE THE REMUNERATION OF TREASURY PROFESSIONALS IN BRITAIN'S LEADING CORPORATE BUSINESSES.

It has been many years since the last detailed survey of the remuneration of treasury professionals in Britain's leading corporate businesses. The ACT and the Curzon Partnership, a leading UK recruiter of senior treasury executives, therefore felt it was timely to carry out a new, detailed and formal appraisal of treasury earnings. The intention is that this will be the first of an annual series of surveys whereby we can monitor the trends in remuneration.

In the meantime this article seeks to summarise this year's findings, but particularly to comment on them both in the context of the treasury community and more generally in relation to other senior finance professionals.

**THE SURVEY** The survey encompasses some 200 treasury professionals working in over 30 organisations; these are primarily FTSE 250 and 100 quoted plcs, but also include some multinational businesses and privately owned groups. We have sought information from those at three levels of seniority: head of function, the direct report(s) to the head, and lastly those at the number three level in the team. As such, we typically received data from group treasurers, deputy treasurers, assistant treasurers and treasury managers.

**THE RESULTS** More detailed tables and analyses appear at [www.treasurers.org](http://www.treasurers.org). Here, we will concentrate on three main areas:

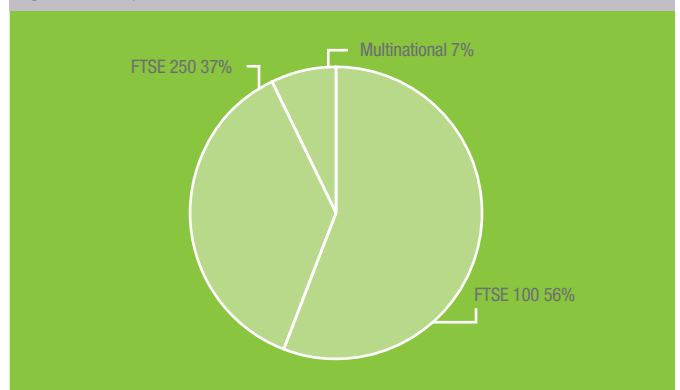
- The range of salaries, and the possible causes of that range;
- The trends we are currently seeing across the treasury market; and,
- A more anecdotal comparison with other head office finance functions and tax in particular, which has historically been the nearest benchmark for treasury professionals.

Salaries of group treasurers within the FTSE showed, not surprisingly, the widest range, from £76,000 to comfortably over £200,000. Although there is strong correlation with size of business, it is by no means the sole determinant; the degree of complexity, whether relating to international scope of operations or extent of capital funding requirements, is also a key factor. Both of these, which are typically combined with greater use of more sophisticated products, clearly call for a higher degree of experience on behalf of the treasurer.

But technical experience is clearly only a part of the piece. Broader management responsibilities are also a key determinant of remuneration. One element of managerial responsibility is the leadership of the treasury team, the size of which varies significantly across the sample. Although the average team size was just under 10, some treasurers were leading teams of around 30, and there was again a strong correlation with remuneration.

Similarly, many treasurers have duties

Figure 1. Respondents



beyond treasury, for other functional areas that might include tax, pensions or insurance. Indeed, 60% of those we sampled within the FTSE 100 had such responsibility. Every single group treasurer respondent within the upper two quartiles of our survey had responsibilities beyond treasury, whereas 75% of those within the lower two quartiles had none.

Unsurprisingly, there is a strong correlation between earnings and formal education. The best demonstration of this is among those who have either the AMCT or full MCT qualification, where at all levels there is a marked increase in salary for those who have achieved the qualification. As might be expected, this is less significant at the group treasurer level, but becomes increasingly significant as we move down the rankings. Whether this is purely down to having the qualification itself or the increased technical capability that the qualification brings is not for examination here, but it is certainly an endorsement of the need for management education in specialist careers such as treasury.

Lastly, we have analysed the survey response to determine the effect of location on remuneration.

Here, there was little or no correlation. Although treasurers based in and around London or the South East were typically paid slightly more than regional counterparts, there was a stronger correlation to the size and scope of business than to the location of its head office.



**TRENDS** It has been nearly 10 years since the last full survey, and it was not conducted on the same basis or with the same sample. So with the caveat that this is not a direct and measurable comparison, it is interesting nonetheless to note that treasurers in the FTSE 250 have seen a far more marked rise in their remuneration – both basic salary and total cash compensation – than their equivalents in FTSE 100

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companies. Indeed, the last few years have seen only a 10-12% increase in the basic salaries of FTSE 100 treasurers, albeit that total cash compensation has increased by nearly double that rate. This compares with a 35% increase for those within the FTSE 250. In both cases, there has clearly been a trend towards a far higher performance-related element to overall pay, whether in cash bonuses, shares or some form of long-term incentive plan.

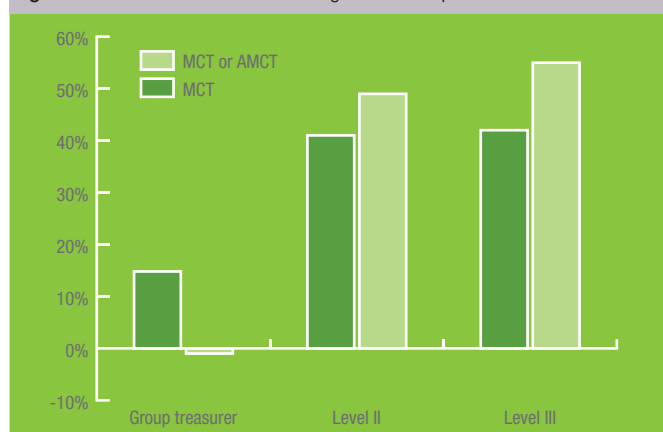
**IN COMPARISON TO OTHERS** This is more anecdotal, but it is fair to say that the overall trend for treasury salaries is to lag behind the market for other head office finance professionals. Certainly the tax director, who is often the nearest internal parallel with the group treasurer, is now earning a premium of 20-30%, whereas a few years ago there would have been either no premium or a slight bias in favour of the treasurer. The same is broadly true for those in the financial control function.

There are a number of reasons for this, but the most obvious is the basic law of supply and demand. There has been a marked increase in the employment within Big Four accounting and advisory firms of tax and accounting professionals, which has driven up the market for those skills. There has not been a corresponding demand for treasurers; indeed, the recent spate of foreign takeovers and the rise of private equity, which can both lead to a diminution in the role of the treasury function or its complete removal, have probably resulted in a fall in demand. Thus the relatively few senior group treasury roles that come to the market can be filled by a ready supply of willing, able and talented treasurers who are actively looking for a move. Naturally, this has an effect on levels of remuneration, and there is nothing to suggest these forces are likely to change in the short to medium term.

**NARROWING THE GAP** This is the first of what we hope will be an ongoing, annual survey, which would obviously allow for more detailed and interesting analysis in the future. For many treasurers and aspiring treasurers, earnings and potential earnings make up a key part of the attraction of the specialism. Any insight into these figures is obviously of huge value and we welcome these.

The most interesting finding of this report is the narrowing of the gap in remuneration between FTSE 250 professionals and those in the FTSE 100, which no doubt reflects current market dynamics, but

**Figure 2.** Correlation between earnings and ACT qualifications



also the ever increasing sophistication of treasury departments within smaller businesses.

As with any specialism, it is important that employers benchmark themselves correctly against the market. The wide range of salaries at comparable levels, even when factors such as scope and spread of the business or extra responsibilities are taken into account, suggests that this should be a key area of focus for treasurers, aspiring treasurers and other members of the senior finance community going forward.

What this survey does endorse is the value of an ACT education and the corresponding qualifications in terms of increasing an individual's worth and their likelihood of reaching the top of the treasury tree.

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Please go to <http://www.treasurers.org/> for further analysis.

**Table 1.** FTSE 100 earnings data

	Average Salary	Highest In Survey	Lowest In Survey	Average Total Compensation	Highest In Survey	Lowest In Survey
Group treasurer	£139,133	£225,000	£76,000	£186,997	£325,000	£90,500
Deputy group treasurer	£118,000	£135,000	£99,000	£157,333	£190,000	£133,000
Level II	£77,240	£123,000	£50,000	£95,850	£167,000	£57,500
Level III	£47,165	£81,000	£23,000	£55,740	£93,572	£23,350

**Table 2.** FTSE 250 earnings data

	Average Salary	Highest in Survey	Lowest In Survey	Average Total Compensation	Highest In Survey	Lowest In Survey
Group treasurer	£122,910	£181,000	£76,000	£169,590	£314,000	£91,000
Level II	£69,920	£96,000	£41,000	£87,153	£121,000	£46,750
Level III	£41,169	£75,000	£25,000	£42,727	£75,000	£25,000

# Appendix –

additional data  
from the survey



**Table 3.** A review of the availability of Final Salary Pension Schemes amongst Group Treasurers within the FTSE100, FTSE250 and non-UK listed multinationals.

	% With Final Salary Pension Scheme
FTSE 100 Group Treasurer	27 %
FTSE 250 Group Treasurer	50 %
Multinational Group Treasurer	0 %
<b>Total</b>	<b>35 %</b>

**Table 4.** A description of the spread of Treasury Qualifications (AMCT / MCT) amongst Group Treasurers within the FTSE100, FTSE250 and non-UK listed multinationals.

	% With MCT Qualification	% With AMCT Qualification	% With No Treasury Qualification
FTSE 100 Group Treasurer	67 %	20 %	13 %
FTSE 250 Group Treasurer	80 %	0 %	20 %
Multinational Group Treasurer	50%	0 %	50 %
<b>Total</b>	<b>70%</b>	<b>11 %</b>	<b>19 %</b>

**Table 5.** A description of the spread of Treasury Qualifications (AMCT / MCT) amongst Treasury Managers / Assistant Treasurers within the FTSE100, FTSE250 and non-UK listed multinationals.

	% With MCT Qualification	% With AMCT Qualification	% With No Treasury Qualification
FTSE 100 Level II	35%	23%	42%
FTSE 250 Level II	39%	6%	55%
Multinational Level II	0%	0%	100%
<b>Total</b>	<b>32%</b>	<b>15%</b>	<b>53%</b>

**Table 6.** A description of the spread of Treasury Qualifications (AMCT / MCT) amongst 3rd line reports to the Group Treasurer within the FTSE100, FTSE250 and non-UK listed multinationals.

	% With MCT Qualification	% With AMCT Qualification	% With No Treasury Qualification
FTSE 100 Level III	15%	12%	73%
FTSE 250 Level III	15%	8%	77%
Multinational Level III	0%	0%	100%
<b>Total</b>	<b>14%</b>	<b>9%</b>	<b>77%</b>

**Table 7.** Correlation between FTSE ranking (FTSE100/FTSE250/Non FTSE) and earnings (basic salary) for Group Treasurers, Treasury Managers/ Assistant Treasurers and 3rd line reports to the Group Treasurer.

	Group Treasurer	Level II	Level III
FTSE 100	21%	29%	24%
FTSE 250	-18%	-21%	-10%
Multinational	-7%	-17%	-25%

**Table 8.** Correlation between size of business and earnings (basic salary) of incumbent Group Treasurers.

	Group Treasurer
>5bn	42%
1-5bn	-25%
<1bn	-23%

**Table 9.** Correlation between the location of UK Headquarters and Group Treasurer earnings (basic salary).

	Group Treasurer
London	-3%
South East	-13%
London & South East	-22%
Midlands	0%
SW & Wales	40%

**Table 10.** Correlation between geographic scope of organisations and the earnings (basic salary) of their Group Treasurers

	Group Treasurer
Global	15%
UK & Europe	-7%
UK Only	-14%

**Table 11.** Correlation between earnings (basic salary) of Group Treasurers and extra responsibilities, beyond treasury, undertaken.

Extra Responsibilities Correlation	Group Treasurer
	34%