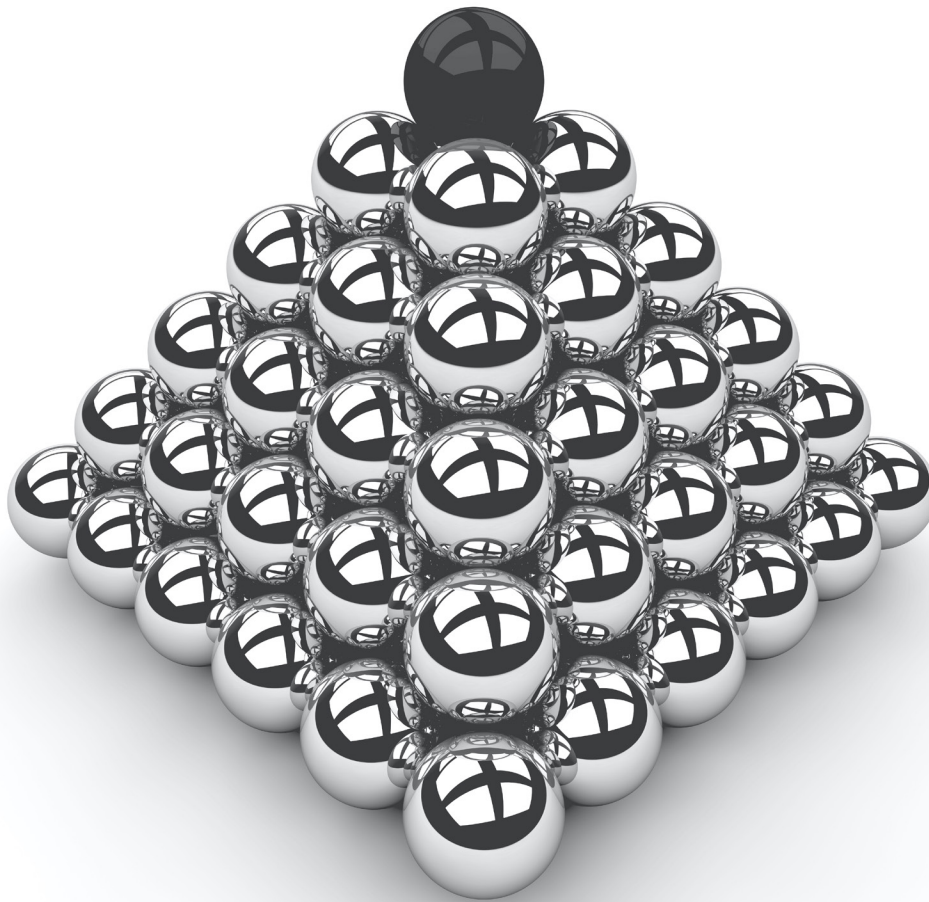


CFO PAY IN THE S&P 500



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CFO PAY IN THE S&P 500

With the COVID-19 pandemic's impact on capital management, the CFO (chief financial officer) role in public companies has taken on greater prominence over the past few months.

We used our CompanyIQ research platform to review CFO and CEO (chief executive officer) pay in the S&P 500 for the 2015-2019 compensation years. The data shows where the compensation of arguably the second most important executive falls and provides a benchmark with CEO pay.

EXECUTIVE SUMMARY

- *S&P 500 CFOs averaged \$5 million in total compensation for 2019.*
- *CFO total compensation increased by 20% from 2015 to 2019.*
- *The top earning S&P 500 CFO in 2019 made \$31 million.*
- *CFOs, on average, made one-third of CEO compensation.*
- *Consistent with CEOs, stock awards were the largest component of CFO pay.*
- *Technology CFOs dominated as top earners.*
- *4% of CFOs in the S&P 500 earned equal to or more than their CEOs in 2019.*
- *In 2019, the average CFO pay ratio was 90 compared to 263 for CEOs.*

With an average of five years on the job, S&P 500 finance chiefs saw a significant increase in their pay, with technology CFOs leading their peers. The data below explores these data points in detail.

¹ Data from the 2019 compensation year is the latest available.

CFO TOTAL COMPENSATION REACHES \$5 MILLION

Average CFO Total Compensation Was \$5 Million

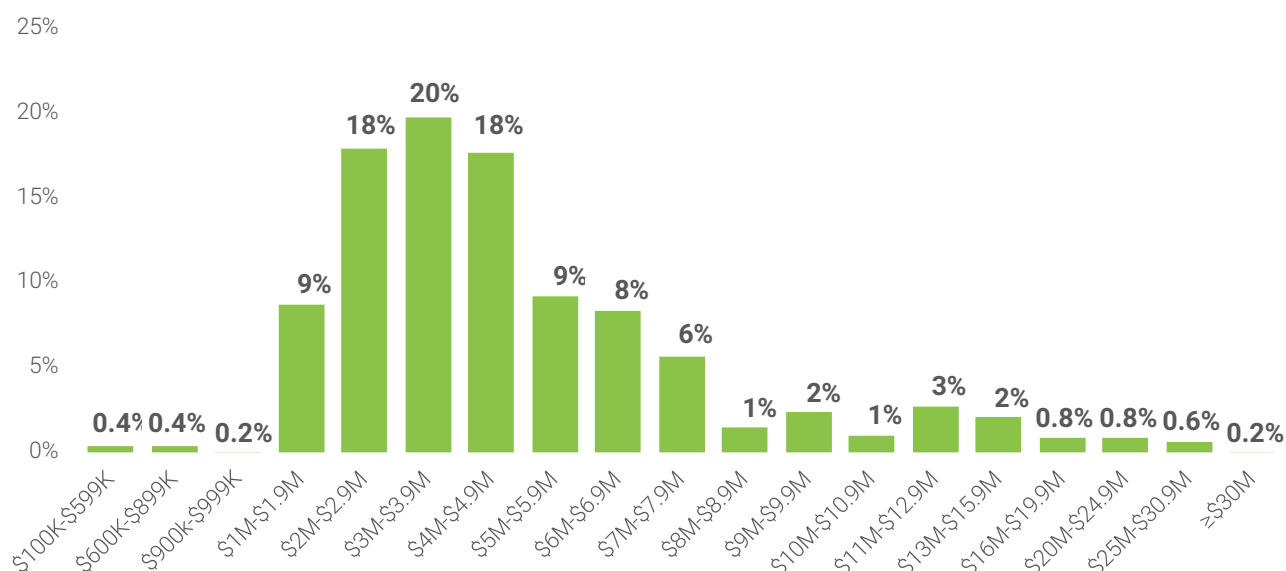
Total compensation for S&P 500 CFOs, which includes stock awards, stock options, and incentive payments, averaged \$5.1 million in 2019, representing a 20% increase from 2015 as indicated in Table 1. The majority of finance chiefs in 2019, 58%, made between \$2 million and \$4 million as shown in Chart 1 below. Nearly 5% made more than \$13 million in total compensation.

Table 1: S&P 500 Total Compensation 2015-2019

CFO TOTAL COMPENSATION	
2015	\$4,271,239
2016	\$4,481,207
2017	\$4,778,053
2018	\$4,737,285
2019	\$5,133,227

Kaes Van't Hof, the CFO for Diamondback, earned the highest total compensation at \$31 million in 2019. Amazon's CFO and Senior Vice President Brian Olsavsky had the lowest total compensation at \$163,000.

Chart 1: Distribution of S&P 500 CFO Total Compensation 2019



CFOS MAKE A THIRD OF CEO PAY

On Average, S&P 500 CFOs Made 35% of CEO Pay

With average total compensation of \$5.1 million and five years on the job in 2019, CFOs made 35% of the average CEO total compensation of \$14.7 million. Tables 2 and 3 provide a comparison of the average and median CFO and CEO total compensation over the past five years.



Table 2: S&P 500 Average CFO Total Compensation Compared to CEO 2015-2019

	CFO Average (in MM)	CEO Average (in MM)	CFO as a % of CEO
2015	\$4.27	\$11.85	36
2016	\$4.48	\$12.35	36
2017	\$4.78	\$14.03	34
2018	\$4.74	\$13.84	34
2019	\$5.13	\$14.66	35

Table 3: S&P 500 Median CFO Total Compensation Compared to CEO 2015-2019

	CFO Median (in MM)	CEO Median (in MM)	CFO as a % of CEO
2015	\$3.35	\$10.19	33
2016	\$3.49	\$10.77	32
2017	\$3.85	\$11.53	33
2018	\$3.77	\$12.25	31
2019	\$4.14	\$12.80	32

STOCK AWARDS LARGEST COMPONENT OF CFO COMPENSATION

The Average Stock Award for S&P 500 CFOs Was \$2.7 Million in 2019

Tables 4 and 5 below show the average and median for different components of CFO pay, including bonuses and stock awards for 2015-2019. As expected, stock awards were the largest component of CFO total compensation for the past five years.

Table 4: Average of Components of S&P 500 CFO Total Compensation 2015-2019

	Salary	Bonus	Stock Awards	Stock Options	Long Term Incentive	Short Term Incentive	Change in Pension Value	All Other Compensation	Total Compensation
2015	\$611,935	\$979,735	\$2,071,467	\$889,939	\$889,808	\$792,836	\$421,144	\$132,773	\$4,271,239
2016	\$618,005	\$961,071	\$2,194,476	\$990,324	\$792,121	\$841,656	\$530,743	\$117,434	\$4,481,207
2017	\$637,604	\$834,968	\$2,365,275	\$908,342	\$943,240	\$904,079	\$625,230	\$165,708	\$4,778,053
2018	\$663,081	\$1,060,686	\$2,439,186	\$936,450	\$869,605	\$932,463	\$335,466	\$112,597	\$4,737,285
2019	\$678,844	\$1,148,153	\$2,696,208	\$969,202	\$731,609	\$922,210	\$785,192	\$129,486	\$5,133,227

Table 5: Median of Components of S&P 500 CFO Total Compensation 2015-2019

	Salary	Bonus	Stock Awards	Stock Options	Long Term Incentive	Short Term Incentive	Change in Pension Value	All Other Compensation	Total Compensation
2015	\$597,674	\$500,000	\$1,370,743	\$638,285	\$648,522	\$650,309	\$200,285	\$55,712	\$3,354,876
2016	\$600,000	\$513,070	\$1,499,991	\$654,928	\$550,836	\$701,700	\$295,003	\$55,326	\$3,486,882
2017	\$614,424	\$416,000	\$1,704,004	\$746,700	\$713,435	\$756,718	\$322,000	\$63,506	\$3,849,614
2018	\$627,110	\$500,000	\$1,700,121	\$719,361	\$701,671	\$732,560	\$139,568	\$61,833	\$3,766,482
2019	\$643,750	\$700,000	\$1,865,662	\$753,325	\$550,080	\$723,570	\$350,450	\$63,137	\$4,142,280

CFO SALARY REMAINS UNDER \$700,000

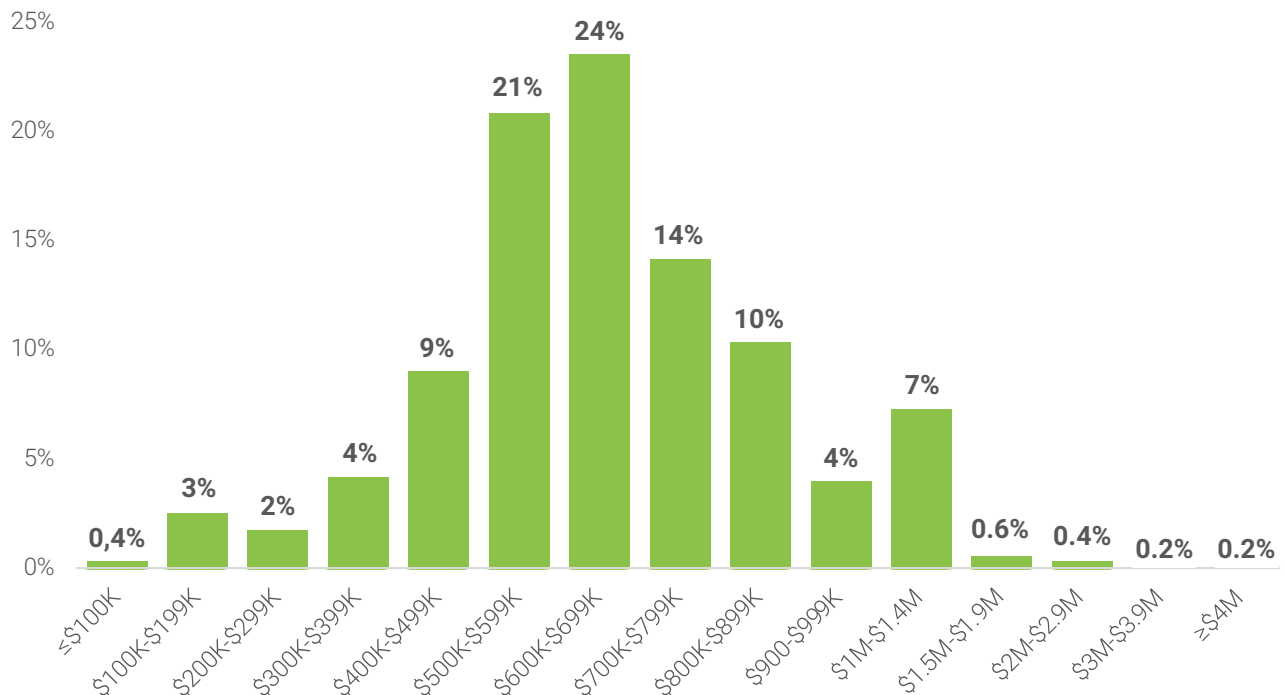
Average CFO Salary Was \$679,000

For S&P 500 CFOs, their average base salary in 2019 remained under \$700,000 in salary. As indicated in Chart 2 below, close to 60% made between \$500,000 and \$800,000. Less than 9% made more than \$1 million in salary.

The highest salary paid in 2019 was to the Netflix CFO Spencer Neumann at \$5 million.

At the other end was the CFO and Senior Vice President Bradley Powell of Expeditors International at \$100,000.

Chart 2: Distribution of S&P 500 CFO Salary 2019



TOP 15 CFOS EARNED BETWEEN \$14 AND \$31 MILLION

Top Total Pay in 2019 Ranged from \$14 million to \$31 million in 2019 and Four Companies Consistently Had Among the Highest Earners Over the Past Five Years

As Table 6 shows, the top 15 earners among finance chiefs made between \$14 million and \$31 million in 2019 total compensation.

Four companies consistently had among the highest paid CFOs during the past five years. They were Apple, Comcast, Facebook, and Goldman Sachs. Other notable top earning finance chiefs for three of the last five years were at AT&T, Intel, and Monster Beverage. They were followed by Alphabet, Exxon Mobile, JPMorgan Chase, Public Storage, Twitter, and Visa that had top earners for two of the last five years.

Table 6: Top 15 Paid CFOs in the S&P 500 2019

COMPANY	SECTOR	EXECUTIVE NAME	TOTAL COMPENSATION
DIAMONDBACK ENERGY, INC.	Energy & Mining	KAES VAN'T HOF	\$31,063,504
INTEL CORP	Technology	GEORGE S. DAVIS	\$29,219,100
COMCAST CORP	Entertainment, Media & Communications	MICHAEL J CAVANAGH	\$26,799,477
APPLE INC	Technology	LUCA MAESTRI	\$25,209,637
T-MOBILE US, INC.	Entertainment, Media & Communications	J. BRAXTON CARTER	\$22,276,193
FACEBOOK INC	Technology	DAVID M WEHNER	\$21,334,036
GOLDMAN SACHS GROUP INC	Financial Services	STEPHEN M. SCHERR	\$20,238,095
ELECTRONIC ARTS INC.	Technology	BLAKE J JORGENSEN	\$19,510,581
BROADCOM INC.	Technology	THOMAS H. KRAUSE JR	\$17,845,393
EBAY INC	Technology	SCOTT F SCHENKEL	\$17,647,255
AT&T INC.	Entertainment, Media & Communications	STEPHENS JOHN JOSEPH	\$16,725,328
KRAFT HEINZ CO	Retail & Consumer	PAULO BASILIO	\$15,369,394
WALT DISNEY CO	Entertainment, Media & Communications	CHRISTINE M. MCCARTHY	\$14,974,155
TRANSDIGM GROUP INC	Industrial Products	MICHAEL LISMAN	\$14,316,773
CONOCOPHILLIPS	Energy & Mining	WALLETTE DON E JR	\$14,207,759

20 CFOS MADE AS MUCH OR MORE THAN THEIR CEOS IN TOTAL COMPENSATION

4% of CFOs, or 20, Made as Much or More Than Their CEOs in Total Compensation in 2019

S&P 500 CFO total compensation as a percentage of CEO total compensation ranges from 1% to more than 2,000%. Nearly three-quarters of CFOs make 20-49% of what S&P 500 CEOs make as indicated by Chart 3.

Of the 20 CFOs who made more than their CEOs, one-third, or seven, were in the technology sector followed by four in the retail and consumer sector, and three in the communications/media sector.

Overall from 2015 to 2019, the technology sector dominated the category of finance chiefs earning as much or more than their CEOs. Table 7 has the details.

**Table 7: S&P 500 CFOs Earning Equal to or Greater Than CEOs
2015-2019 by Sector**









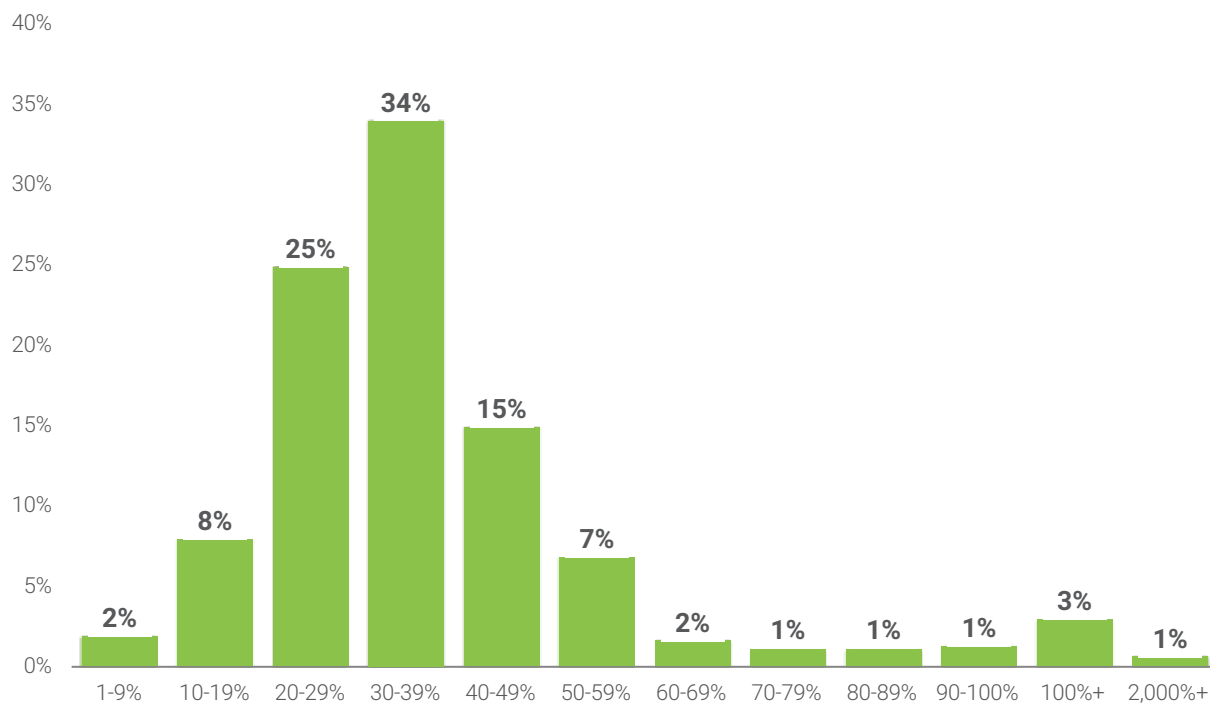
	Sector	%
	ENERGY & MINING	5.6
	ENTERTAINMENT, MEDIA, & COMMUNICATIONS	4.5
	FINANCIAL SERVICES	11.2
	HEALTH INDUSTRIES	2.2
	INDUSTRIAL PRODUCTS	12.4
	PHARMACEUTICAL & LIFE SCIENCES	2.2
	RETAIL & CONSUMER	12.4
	TECHNOLOGY	49.4

Chart 3: S&P 500 CFO Total Compensation as a Percentage of CEO Total Compensation 2019



Because Twitter's CEO Jack Dorsey received no compensation in 2019, the Twitter CFO who earned \$6 million, Ned Segal, made the most in total compensation compared to his CEO in the S&P 500. On the other end of the spectrum, the Alphabet CFO, Ruth Porat, made \$664,000 while CEO Sundar Pichai made \$281 million.

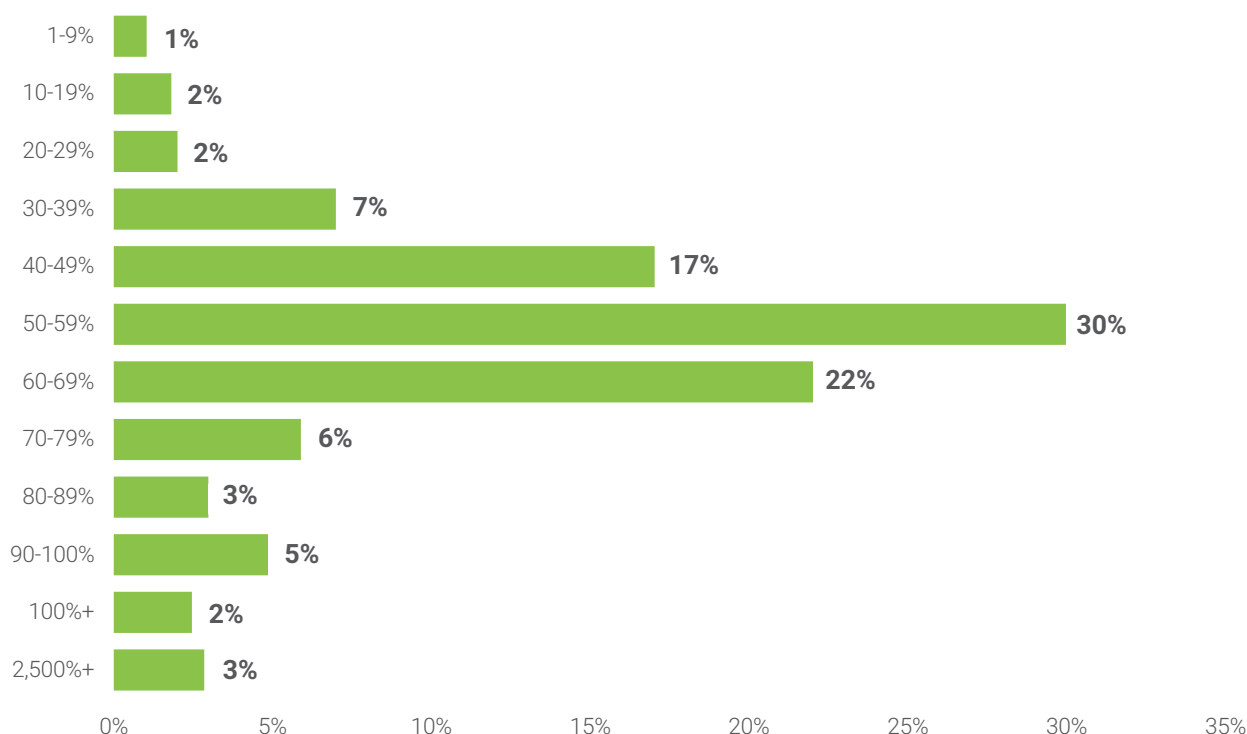


CFO SALARY COMPARED TO CEO SALARY

5% of S&P 500 CFOs Made More Than Their CEOs in Salary

2019 S&P 500 CFO salary as a percentage of CEO salary ranges from 1% to more than 2,500%. Chart 4 indicates that more than two-thirds of CFOs made 40-69% of what S&P 500 CEOs made in 2019.

Chart 4: S&P 500 CFO Salary as a Percentage of CEO Salary 2019



Because the Capital One CEO, Richard Fairbank, took no salary in 2019, his CFO, R. Scott Blackley, had the highest salary as a percentage of CEO salary in the S&P 500. On the opposite end, Discover Financial Services' CFO John Greene's full year salary of \$170,000 was the lowest percentage of his CEO Roger Hochschild's salary of \$927,000.

CFO PAY RATIOS COMPARED TO EMPLOYEE MEDIAN PAY

Pay ratios for S&P 500 CFOs range from 1 to 710

In 2019, S&P 500 CFOs earned, on average, 90 times more than the median pay of the non-executive employees of their companies.

CFO pay ratios spanned 1 to 710. In comparison, the CEO pay ratios ranged from 0 to 2,077 and the average was 263.

More than half of CFO pay ratios were between 1 and 60. Chart 5 and Table 8 below have the details.

Chart 5: Distribution of S&P 500 CFO Pay Ratios 2019

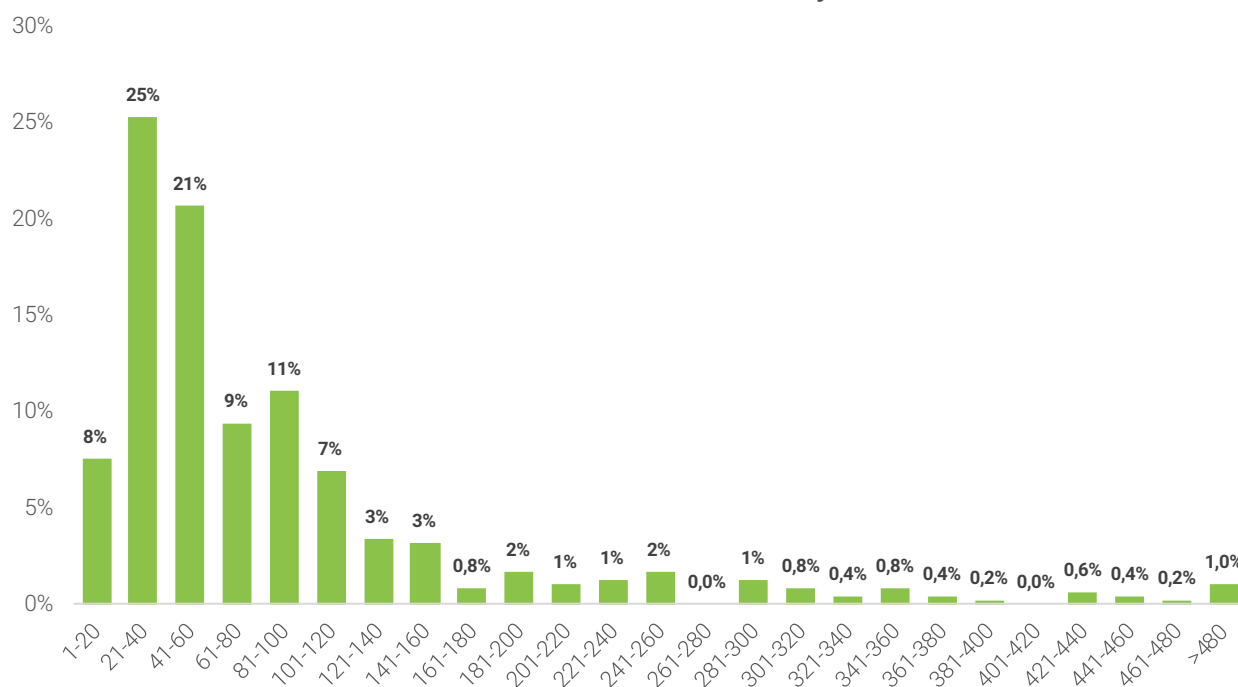


Table 8: CFO and CEO Pay Ratios in the S&P 500 2019

	Average Pay Ratio	Pay Ratio Range
CFO	90	1-710
CEO	263	0-2,077

Comparing the top ten CEO pay ratios with the top ten CFO pay ratios, as Chart 6 does, indicates that only Chipotle and VF Corporation had both CEOs and CFOs as top earners as measured by pay ratios.

Half of the companies with the top ten CEO pay ratios paid their CFOs about one-third of what their CEOs made as indicated in Chart 6 below. There was no discernable pattern at the lower end as Chart 7 indicates.

Chart 6: S&P 500 Top 10 CEO Pay Ratios Compared to CFO Pay Ratios 2019

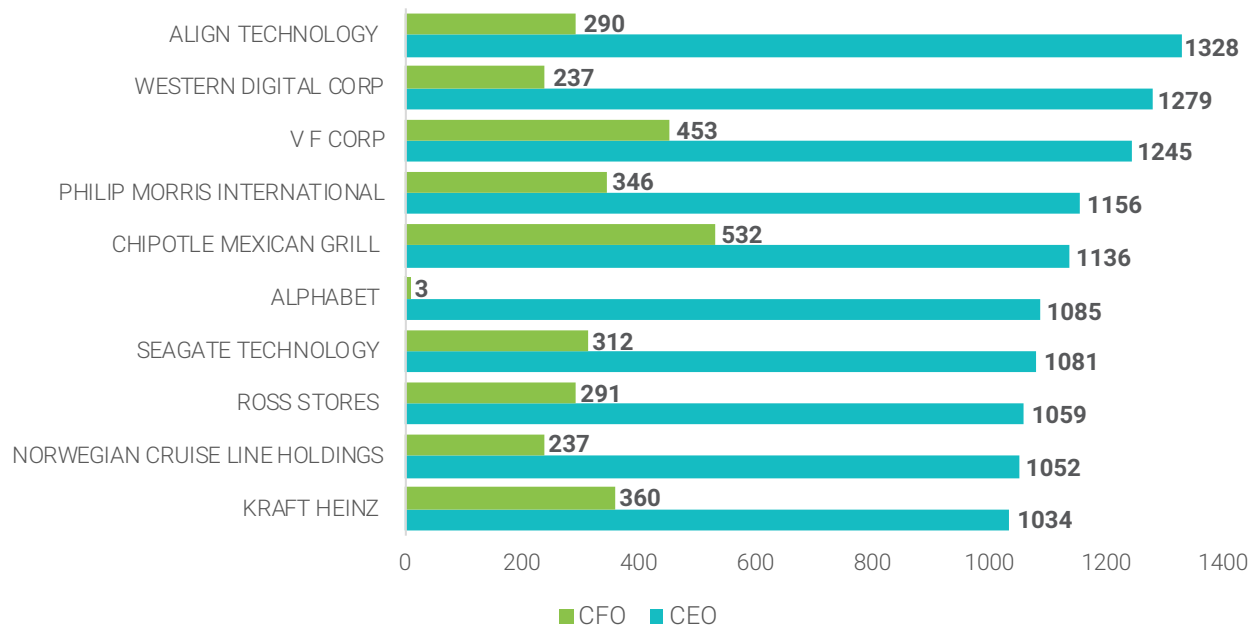
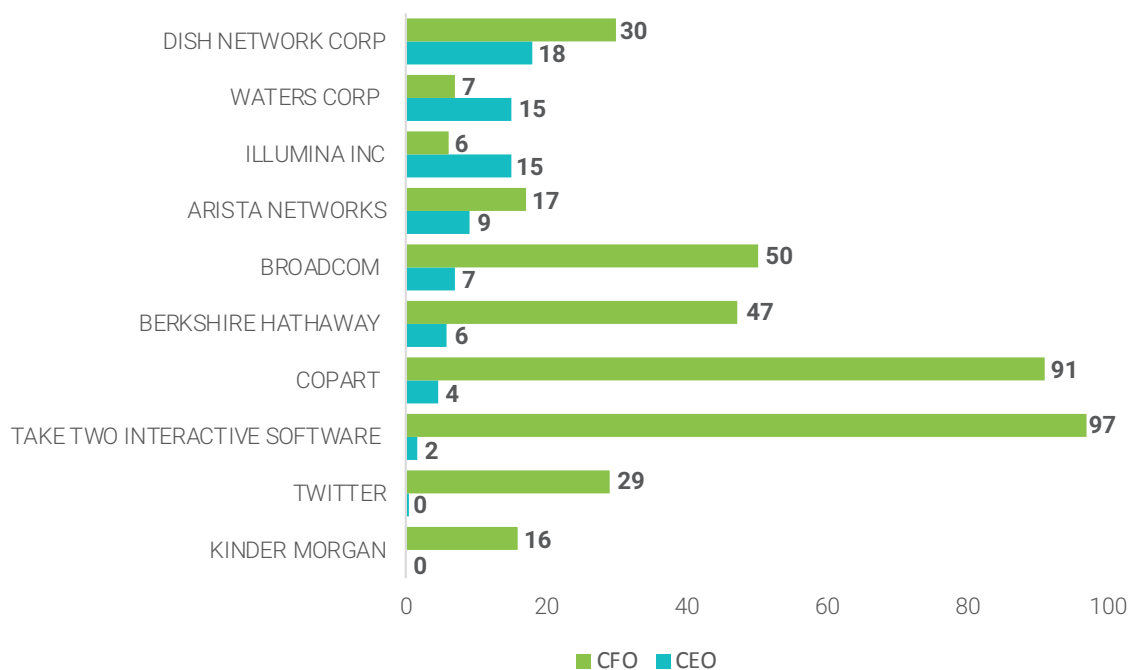


Chart 7: S&P 500 Bottom 10 CEO Pay Ratios Compared to CFO Pay Ratios 2019



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