



2021 Crowe bank compensation and benefits survey highlights



Highlights

A total of 437 financial services organizations contributed information to the “2021 Crowe Bank Compensation and Benefits Survey.” The participants represented a broad sample of the industry by asset size and geographic location.

The survey results provide salary and bonus benchmarks for 271 job positions as well as information regarding benefits, incentives, director compensation, and human resource practices. Following are several observations that showcase the trends and comparisons identified through the survey results.

Profile of participants

Asset size	Participants
Less than \$250 million	138
\$250 million-\$500 million	121
\$500 million-\$1 billion	94
\$1 billion-\$5 billion	72
Greater than \$5 billion	12

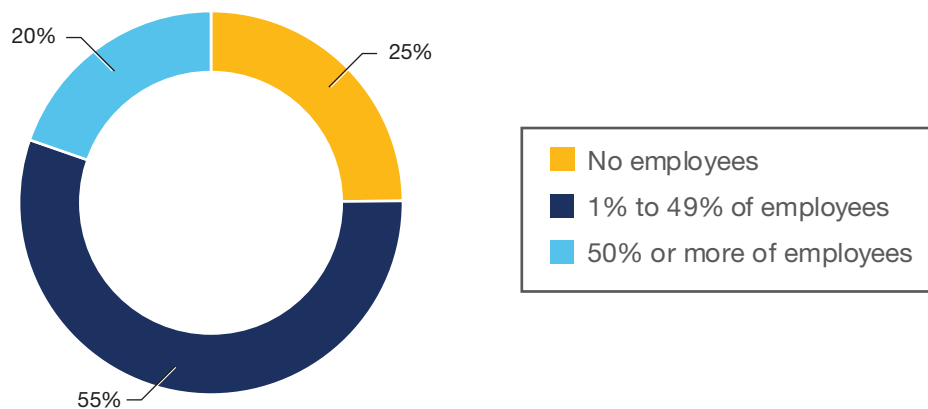


Remote work

Remote work in the financial services industry has never been the norm, and many employers even have actively dissuaded staff from working remotely. In response to the COVID-19 pandemic, many employers began allowing staff to work remotely at least part time, as evidenced by our 2020 survey results.

During 2021, some banks continued to allow some employees to work remotely. The majority of banks (55%) allowed less than 50% of employees to work remotely. For 25% of banks, employees did not have a remote option. As many employers continue to bring staff back into the office, remote work will be an important trend to follow over the next several years in terms of its effect on recruitment and retention.

Percentage of banks whose employees work or can work remotely at least one day per week



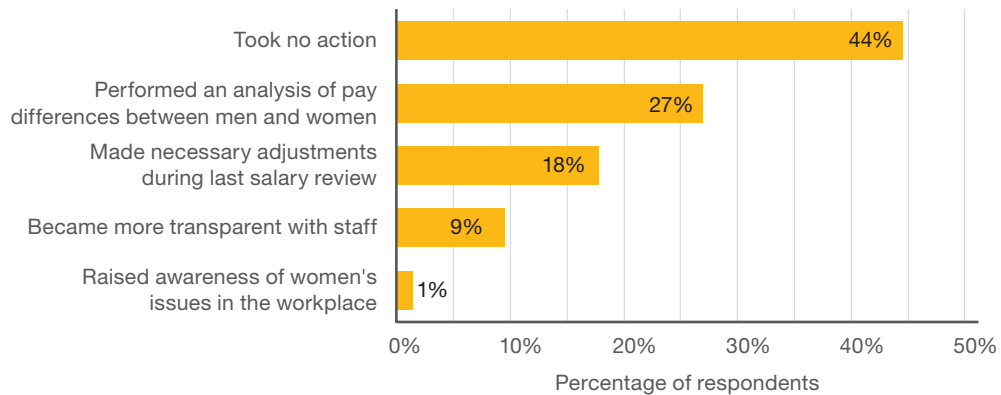


Gender pay gap

While the gender pay gap was a more prevalent topic several years ago, it continues to affect the financial services industry. Respondents have taken various forms of action to help close the gender pay gap among their employees: 27% performed analyses of pay differences between men and women; 18% made necessary salary adjustments; 9% became more transparent with staff; and 1% raised awareness of women's issues in the workplace.

However, 44% of all respondents have not taken action to bring awareness to and analyze the gender pay gap at their own organizations.

Actions to decrease gender pay gap



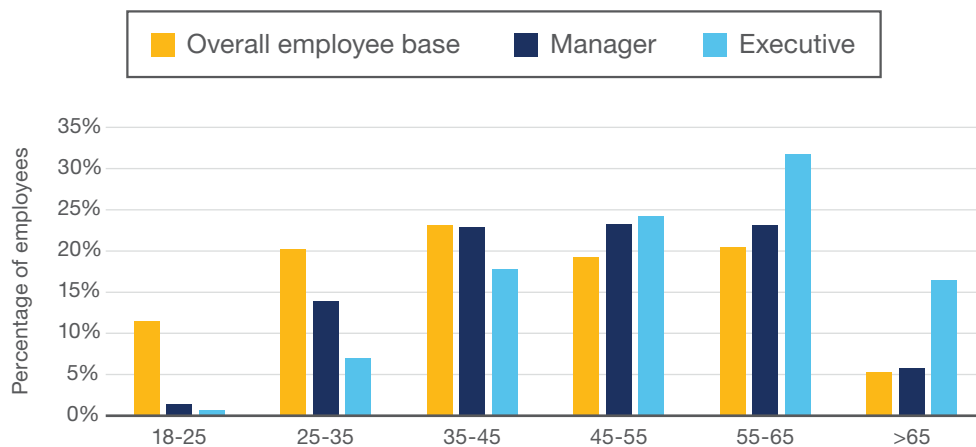
Age breakdown

The overall employee base tends to be young, with most employees ranging from ages 18-45. Despite the youth of employees overall, less than 40% of managers and about one-quarter of executives are part of the 18-45 age group. This is not a surprise, as the employees with less experience tend to be younger, although some younger individuals do serve in management and executive roles.

More than 70% of employees holding executive-level positions are 45 years of age or older, while there is a near equal proportion of managers in the 35-45, 45-55, and 55-65 age groups. With age comes experience, evidenced by the comparison of the overall employee base to executive and manager positions by age group.

The number of executives over 65 raises some concerns. While many banks report having management succession plans in place, the significant percentage of executives over 65 might indicate current or future management succession challenges for some banks.

Age breakdown



* Due to inconsistencies in the data responses, results do not equal 100%. The results shown are the average of the responses for each category, which might cause rounding errors.

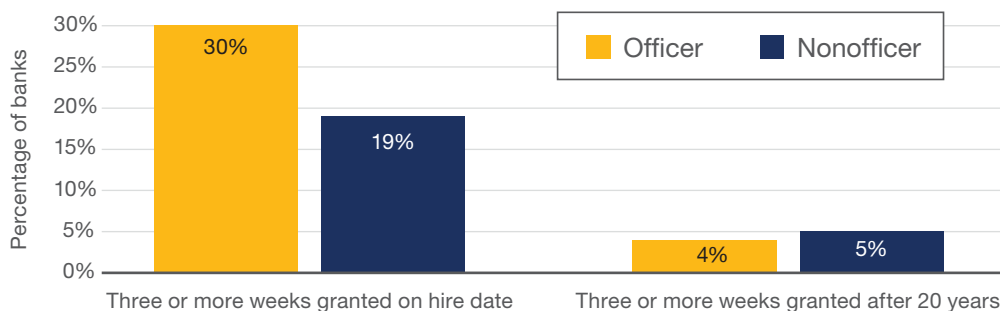


Paid time off

Some banks in the survey offered three or more weeks of paid time off (PTO) as part of the hire-on benefits more frequently to officers as opposed to nonofficers, which is not unexpected for a competitive officer compensation package. As more companies acknowledge the importance of work-life balance, some banks are shifting toward awarding new hires with increasingly generous PTO plans.

However, a small percentage of banks still require employees to have at least 20 years of tenure before they are awarded three or more weeks of PTO in a single year. For organizations with lackluster PTO plans, attracting and retaining top talent will be challenging.

Banks offering three or more weeks of PTO

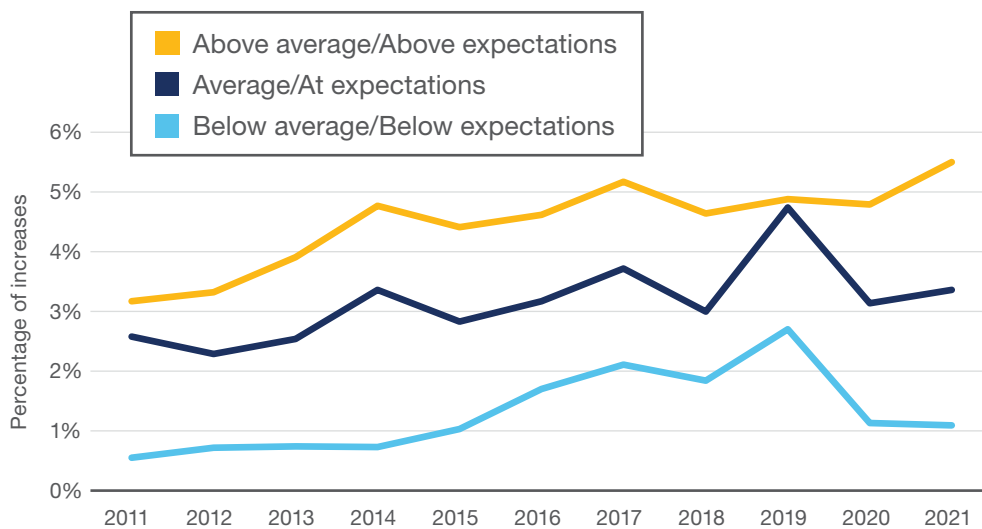


Performance and turnover

Among the survey participants in 2021, 62.4% of financial services organizations have a pay-for-performance program. In 2019, we noted that pay increases for average performers nearly matched those of top performers, but this trend has since reversed and returned to normal levels.

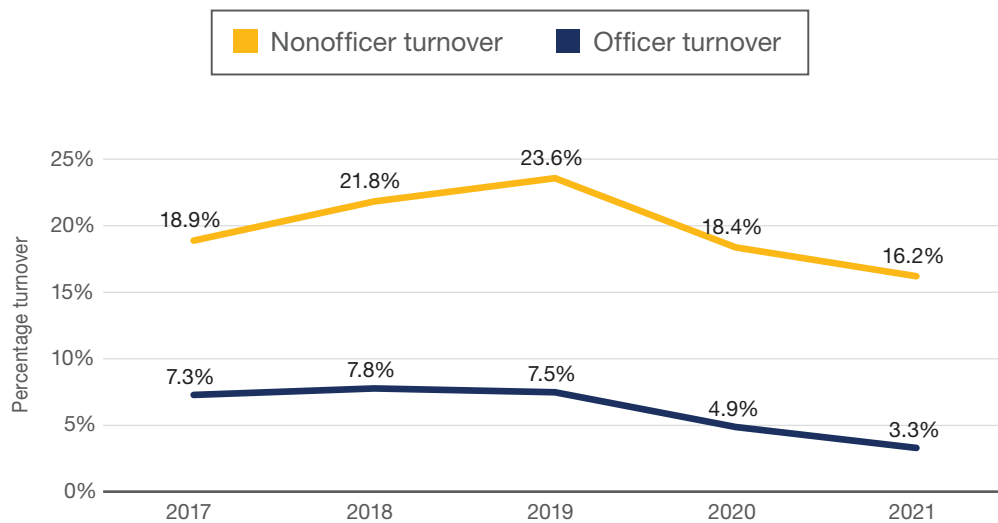
Leading practices suggest performance-based increases are the ideal pay strategy for influencing stronger performance and improving morale for employees when there is greater differentiation by performance rating.

Performance-based pay increases



Similar to pay increase trends, turnover has also returned to lower levels. Since 2019, the average employee turnover for officers and nonofficers decreased significantly – by 31.4% for nonofficers and 56% for officers. This continued decrease in turnover rates might be due in part higher pay and more generous benefit programs from banks due to the battle for talent. However, the effect of the pandemic on the desire for job security as a top factor in employee retention cannot be dismissed.

Median employee turnover

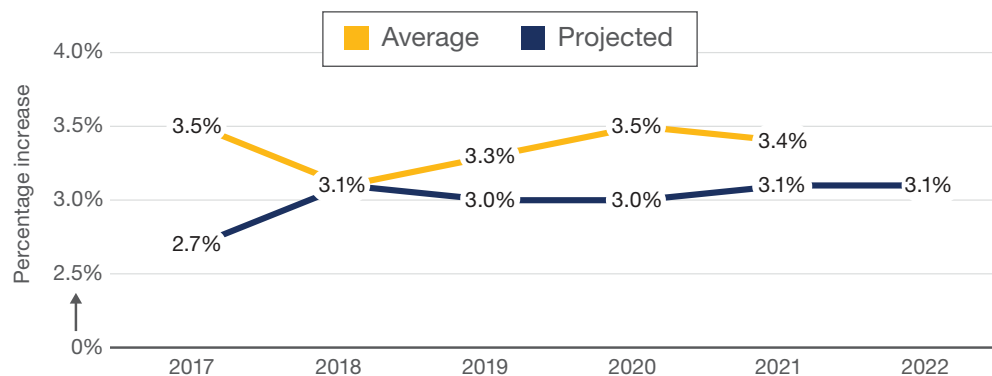


Salary increases

The average salary increase for nonofficers in 2021 decreased slightly to 3.4% from 3.5% in the prior year. The average percentage increase surpassed the projected amount. Although the average salary increase for 2021 remains slightly below the average amount in 2017, increases are projected to average 3.1% in 2022.

There has been little volatility or change in the percentage increase of salary for nonofficers over the past four years, even though banks continually project lower average raises than actual.

Salary increase: Nonofficer

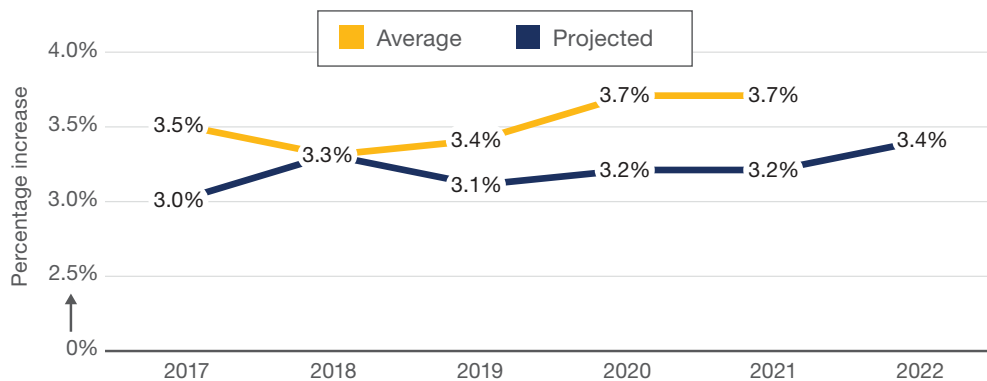




Likewise, the average salary increase for officers in 2021 remained at the same level from the prior year. The average percentage increase has remained at or above the projected amount for the past four years. The projected salary increase for 2022 is 3.4%, which is the highest projection in the past five years.

Based on past years' results and lower turnover, this trend potentially could reverse in 2022, with lower-than-projected average pay increases coming for officers.

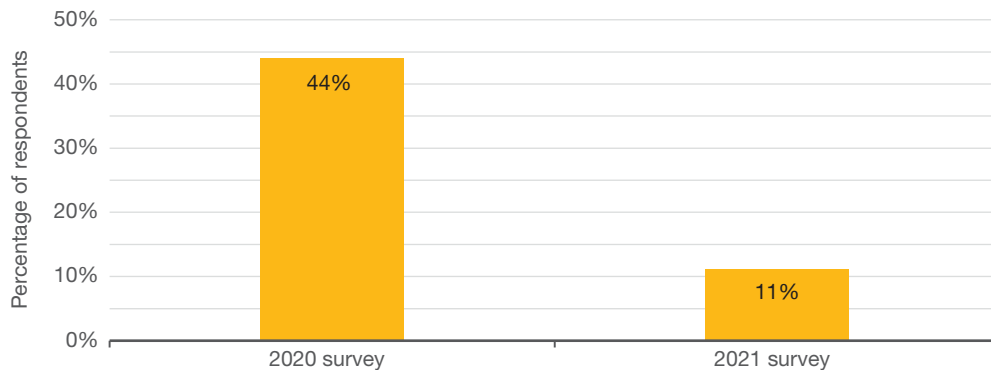
Salary increase: Officer



Only 11% of financial services organizations in the 2021 survey anticipated having smaller than normally expected raises in 2022. This significant drop from 44% of organizations in last year’s survey anticipating smaller raises for their employees could be a sign of a stronger, more confident outlook on the performance of the organization.

Likewise, confidence in the economic outlook and impacts of the pandemic might result in continued optimism into 2022. Raises could have been at their lowest in 2020 or perhaps temporarily paused due to the pandemic, but respondents report offering higher raises in 2020 and 2021 than in previous years. Based on projections for 2022, survey respondents appear confident that they can continue to award higher raises to their employees.

Organizations anticipating smaller-than-normal raises in the following year





Salary trends

Survey results in 2020 likely did not include the impacts of the pandemic and uncertainty of its effects on the economy and the banking industry. We have now seen the results of current trends and key issues in the industry through the rise and fall of key job positions over the last three years.

While top executive pay continues to rise in 2021, most notable are the chief information officer (CIO) and chief compliance officer (CCO). We have seen the continued importance of data and analytics across industries but particularly in banking, where the need to understand customers is strong. As such, it is surprising to see median pay for the CIO position remains slightly negative in comparison to 2019 after rebounding from its significant dip in 2020.

As the need for better data governance and integrity continues, it would be shocking if the increase in pay for CIOs does not continue into 2022. Additionally, we have seen greater importance placed on maintaining compliance and doing more with fewer resources. As such, the CCO role has an increased responsibility for the organization's success, often with a smaller budget and team than front-office departments. Thus, CCO increase in pay is also expected to continue into 2022, although at a slightly slower pace.

While the fight to attract and retain talent continues, it is surprising to see so much focus placed on salary increases for data entry/item processing clerks in comparison to front-office positions such as tellers. The teller position has been the most difficult to attract and retain across the banking industry. Higher pay increases across the teller levels could be expected to alleviate this challenge, although pay might not be the largest factor in the equation. Flexibility in work schedules, benefits, and public-facing responsibilities during a pandemic might have a larger influence on these positions.

Position	Median salary			Percent change	
	2019 (778 banks)	2020 (386 banks)	2021 (437 banks)	2020 to 2021	2019 to 2021
CEO/President	\$231,082	\$245,000	\$251,082	2.5%	8.7%
Chief credit officer	\$153,500	\$155,000	\$160,000	3.2%	4.2%
Chief financial officer	\$150,754	\$156,413	\$163,000	4.2%	8.1%
Chief information officer	\$130,000	\$121,000	\$129,209	6.8%	-0.6%
Commercial loan officer III	\$120,000	\$121,000	\$126,500	4.5%	5.4%
Chief human resources officer	\$112,586	\$110,095	\$114,550	4.0%	1.7%
Top retail banking officer	\$112,000	\$110,000	\$111,500	1.4%	-0.4%
Chief compliance officer	\$88,350	\$87,500	\$93,357	6.7%	5.7%
Branch manager II	\$64,727	\$61,007	\$62,071	1.7%	-4.1%
Credit analyst I	\$46,870	\$49,000	\$49,319	0.7%	5.2%
Comm loan processor	\$45,000	\$45,384	\$46,759	3.0%	3.9%
Teller operations supervisor	\$37,877	\$40,062	\$41,227	2.9%	8.8%
Loan operations processor	\$37,000	\$37,800	\$39,501	4.5%	6.8%
Personal banker I	\$34,503	\$36,071	\$37,190	3.1%	7.8%
New accounts representative	\$33,831	\$34,930	\$35,170	0.7%	4.0%
Lead teller	\$33,663	\$34,000	\$35,057	3.1%	4.1%
Universal banker	\$32,605	\$33,000	\$33,600	1.8%	3.1%
Customer service representative I	\$32,365	\$34,230	\$34,984	2.2%	8.1%
Teller III	\$31,689	\$31,970	\$32,851	2.8%	3.7%
Data entry/Item processing clerk	\$30,660	\$32,743	\$35,700	9.0%	16.4%
Teller II	\$28,287	\$28,214	\$29,309	3.9%	3.6%
Teller I	\$25,725	\$26,103	\$27,300	4.6%	6.1%



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