



2002

SALARY GUIDE



MEMBERS' SALARIES ARE STILL GOING UP.

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Several interesting developments emerged from this year's salary survey. First, a trend that has occurred since 1992 has been broken: Usually there is no statistically significant average salary increase in even-numbered years following one in odd-numbered years, but there *was* one in 2002. Yet fewer members reported receiving raises—65% compared to 88% in 2001. Average additional compensation increased in 2002, but only 69% of members reported receiving it compared to 90% last year. Other trends: IMA members are older (44 years old), more have certification (66%), and the gender gap is widening again in salary and compensation.

The average salary of \$83,235 for 2002 represents a 5.3% increase over the amount reported in 2001 and is statistically significant. While IMA members' additional compensation increased almost 27%, a statistically significant increase, the 4.5% increase in total compensation (average salary plus additional compensation) to \$94,166 is not statistically significant.

Interestingly, the increases in the average compensation figures for women—average salary, average additional compensation, average total income—in 2002 are not statistically significant, while the increases for average salary and average additional compensation for men (but not average total compensation) are. Part of these mixed results may be because fewer respondents reported receiving salary increases this year, and the average of the increase amounted to \$5,153, which is less than the average in 2001 (\$5,601). While the difference in the average raise in 2002 as compared to 2001 is not statistically significant, the decrease in the proportion (65% vs. 88%) of respondents receiving raises is.

More women than men received raises (68% vs. 63%), but the average amount of the raise for women was less than for men (\$4,586 vs. \$5,440). This would indicate that the “gender gap” is widening when the data last year indicated it was narrowing. These data are generated from the 14th annual salary survey conducted on behalf of the Institute of Management Accountants and *Strategic*

Table 1: COMPARISON OF UNIVARIATE STATISTICS FOR 1998-2002

Years	Range	Mean	Median	20th percentile	80th percentile
Average Salary					
2002	\$19,000 to \$555,000	\$83,235	\$75,000	\$55,000	\$103,225
2001	\$12,000 to \$500,000	\$79,019	\$71,606	\$52,000	\$100,000
2000	\$18,750 to \$760,000	\$74,405	\$67,000	\$48,000	\$92,000
1999	\$15,000 to \$650,000	\$71,912	\$64,000	\$46,000	\$90,000
1998	\$15,000 to \$423,000	\$65,363	\$60,000	\$43,000	\$82,500
Average Total Compensation					
2002	\$19,200 to \$600,000	\$94,166	\$80,000	\$58,000	\$117,000
2001	\$20,000 to \$670,000	\$90,145	\$77,930	\$55,000	\$113,000
2000	\$18,750 to \$760,000	\$84,580	\$72,000	\$50,400	\$106,000
1999	\$15,000 to \$685,000	\$82,439	\$68,300	\$49,000	\$103,000
1998	\$15,000 to \$475,000	\$74,241	\$63,434	\$45,000	\$95,000

Finance. When appropriate, relevant comparisons regarding the compensation and demographics of the IMA membership are made between this year's results and those of the prior 13 surveys.¹

Table 1 presents the univariate statistics for 2002 and the four previous years (1998-2001). The mean, median, 20th percentile, and 80th percentile are the greatest ever experienced over the 14 years this study has been conducted even though the range isn't as great this year as in past years. The increases in these four measures represent increases in 2002 over 2001 that go from a low of 2.7% (average total compensation—median) to a high of 5.8% (average salary—20th percentile).

The relative stability of the IMA membership is shown in Table 2, which attempts to present the demographics of an "average" IMA member. But there are some noticeable changes this year. The median age in 2002 (44 years old) increased two years from that reported in 2000 and 2001 and is the highest it has ever been. All of the years of experience increased in 2002, with years in the field increasing from 15.5 to 18 years. These measures are also the greatest ever experienced and may be linked to the state of the economy; i.e., individuals may be staying with current positions and employers because there is poor

mobility. Highest amounts were also reported for percent married, percent with children, and the average number of children. The number of members holding any certification and CMA certification continues to increase. Even though these variables have increased in 2002 over 2001, none of the increases is statistically significant.

A historical trend that has been tracked since the first survey in 1989 is differences in male and female members' demographics and average compensation. IMA and the authors do *not* believe that compensation should be different because of gender, all other things being equal, but the data over the years have shown that a "gender gap" in compensation does exist. The gap narrowed in 2001, but data indicate that it has widened again in 2002. Some of the factors leading to this gender gap may be attributable to these demographic differences of IMA members:

- ◆ Women in the sample are younger than men (median age of 40 vs. 45; average age of 43 vs. 46).
- ◆ Women are less likely than men to have a degree (3% vs. 1%), and fewer women have advanced degrees (34% vs. 47%).
- ◆ Proportionally, fewer women than men have a professional certification (61% vs. 68%).
- ◆ Women have less experience than men as measured by the number of years in the field (15 vs. 20 years), yet women have worked more years in their position (6 vs. 5 years for men) but worked fewer years with their employer (7 vs. 10 for men). This is different than in prior years when all three experience measures for women were less than those for men.
- ◆ More women than men hold entry-level positions, and fewer women than men are in top management.
- ◆ Women are less likely to be married than men (73% vs. 87%).
- ◆ Men support more children than women do (1.58 to 1.11).

Table 2: "AVERAGE" IMA MEMBER

	2002	2001	2000	1999	1998
Median age	44	42	42	41	41
Female	31%	32%	32%	30%	31%
Male	69%	68%	68%	70%	69%
Degrees					
Baccalaureate	98%	98%	99%	98%	98%
Advanced	43%	43%	43%	42%	41%
Years of experience					
Current position	6	4	4	4	4
Current employer	9	8	8	7	7
In field	18	15.5	15	14.5	14.5
Family status					
Married	83%	80%	78%	80%	77%
Spouse employed outside home	67%	67%	68%	70%	71%
Percent with children	63%	58%	57%	59%	57%
Average number of children	1.3	1.2	1.2	1.2	1.1
Certification percentages					
Any certification	66%	63%	62%	62%	59%
CMA certification	41%	40%	37%	36%	33%
CPA certification	40%	37%	38%	37%	37%
CFM certification	6%	6%	4%	4%	2%

NATURE OF COMPENSATION MEASURES

There are a number of compensation figures used in this study, some of which may need explanation. The two compensation terms used most frequently are salary, which is self-explanatory, and total compensation. Total compensation is the mem-

ber's salary plus any additional compensation they may earn. Not all members will have additional compensation.

A compensation term that has been used since 1991 is household income, which represents the sum of the member's salary, additional compensation, and spouse's income, if any. For those members who are single, divorced, widowed, or married with a spouse who isn't employed outside the home, household income would be total compensation only (salary plus additional compensation but no spousal income).

Though the average additional compensation increased from \$12,403 in 2001 to \$15,850 in 2002, an amount that is statistically significant, only 69% of the members indicated that they received additional compensation as compared to 90% in 2001. Bonuses and profit sharing were the most common sources, as reflected in Table 3. The proportion of members receiving this compensation in 2002 was less than in 2001, but more men than women received it in both years (men: 72% in 2002, 91% in 2001; women: 64% in 2002, 86% in 2001).

The average additional compensation of \$9,593 for women in 2002 is an increase over the amount they received in 2001, but the increase isn't statistically significant. Men, however, reported receiving average additional compensation of \$18,300 in 2002, which is approximately \$4,000 more than the average for 2001 and almost double the average for women. This increase, from a smaller proportion of men, is statistically significant. Furthermore, this difference between men and women for 2002 is statistically significant. With the smaller proportion of

Table 3: SOURCES OF ADDITIONAL COMPENSATION FOR 2002

Sources	Number	Percentage
Bonus	704	62.4%
Profit sharing	217	19.2%
Overtime	27	2.4%
Summer school teaching	24	2.1%
Automobile allowance/company	22	2.0%
Stock plans/options	16	1.4%
Other	118	10.5%

women than men receiving additional compensation and with the average amount of additional compensation being less for women than for men, the gender gap between men's and women's compensation has to widen. Interestingly, though, the increases in 2002 for average total compensation for everyone as compared to 2001 aren't statistically significant.

COMPENSATION AND CERTIFICATION

The impact of professional certification has been tracked since this study began. The average salary and average total compensation for members who hold certification has always exceeded that of those with no certification, and this year is no different. The average salary of certification holders is \$88,670 as opposed to \$72,859 for individuals with no certification, and the average total compensation with certification is \$101,523 as compared to \$80,106 without certification. These differences in compensation are statistically significant in 2002, as in

prior years, and hold true regardless of gender. Both men and women with certification earn more than their respective counterparts without certification.

Table 4 further illustrates the importance of certification to compensation. In each of the five age ranges, those individuals without certification earn less than those who possess a CMA, CPA, or both CMA/CPA (there aren't enough persons with the CFM to present data), and this difference is statistically significant. In the past, there have been some isolated cases where those with no certification in a particular age category have earned more than those with a type of certification

Table 4: COMPENSATION BY AGE AND CERTIFICATION

AVERAGE SALARY

Age Range	All	No CMA or CPA	CMA	CPA	Both CMA and CPA
19-29 [50]	\$53,707	\$43,222	\$63,950	\$56,109	\$58,059
30-39 [373]	\$71,543	\$64,692	\$72,818	\$73,901	\$79,435
40-49 [578]	\$89,456	\$74,270	\$94,662	\$90,838	\$101,844
50-59 [378]	\$87,502	\$78,389	\$96,935	\$95,590	\$85,871
60 and over [86]	\$85,690	\$69,862	\$91,392	\$101,103	\$94,412

AVERAGE TOTAL COMPENSATION

19-29 [50]	\$56,660	\$44,745	\$71,013	\$57,564	\$60,798
30-39 [373]	\$79,391	\$70,320	\$79,040	\$83,362	\$91,999
40-49 [578]	\$102,407	\$82,666	\$108,004	\$103,527	\$120,123
50-59 [378]	\$99,669	\$85,974	\$109,400	\$132,128	\$103,944
60 and over [86]	\$92,007	\$72,942	\$101,207	\$111,352	\$96,656

Number of responses shown in brackets.

MALE/FEMALE COMPENSATION

Figure 1 shows the percentage of men and women from the sample that fall into five average salary ranges starting at \$20,000-\$40,000 and going to \$100,000+. This chart illustrates that there is, indeed, a gender gap in compensation. There are more women than men in the first three average salary ranges (up to \$80,000) but fewer in the two higher average salary categories. All things being equal, you would expect the categories to be more evenly distributed, considering this isn't a longitudinal study and the impact of interruptions can't be measured.

The average salary and total compensation of men and women are compared in Figure 2 for the most recent five years (1998-2002) of this study. The average salary for women of \$69,583 is significantly less than the \$89,462 for men, the same as has occurred in the prior 13 years. Last year we reported that the gender gap had narrowed—such is not the case this year. The \$19,899 difference between women's and men's average salary in 2002 is statistically significant and is the largest difference in the past five years. Women's salary stated as a percentage of men's—77.8%—is still greater than the percentages for 1998-2000 but less than the 79.3% reported in 2001. While the average salaries of both men and women increased, the 5.7% increase for men is statistically significant, while the 3.7% increase for women is not.

Similar results occur when the average total compensation of men and women is compared. The average compensation for women (\$75,704) is 73.8% of men's compensation (\$102,506). While this percentage is greater than in 1998-2000, it is less than the 75.9% reported for 2001. This difference of \$26,802 for the average total compensation for men and women is statistically significant and is also the largest differential for the past five years. The increase in average total compensation in 2002 from 2001 for both men and women is not statistically significant even though the increase in average *additional* compensation for men in 2002 is statistically significant (women's isn't statistically significant). Considering that the average total compensation of women—stated as a percentage of men's compensation—is less than the comparable percentage for average salary, that the difference in men's and women's average total compensation is greater than it has ever been in the past five years, and that the increase in average additional compensation for men is statistically significant, you can surmise that the gender gap in total compensation is even greater than the salary gender gap. Women appear to have less opportunity for additional compensation than men based on management level.

Differences in men's and women's compensation are reflected in Figure 3 (compensation by age and gender). Men's compensation (average salary and average total compensation) is greater than women's for every age category but 60 and over. This is the first time in the 14 years of this study that women's compensation has exceeded men's for an age range. What's so unusual about this result is that when women's compensation is stated as a percent of men's, the 60 and over category has usually been the one with the lowest percentage; of course, for 2002, this percentage is over 100%. Nevertheless, this doesn't have much

Figure 1: PERCENTAGE OF MEN AND WOMEN IN SALARY RANGES

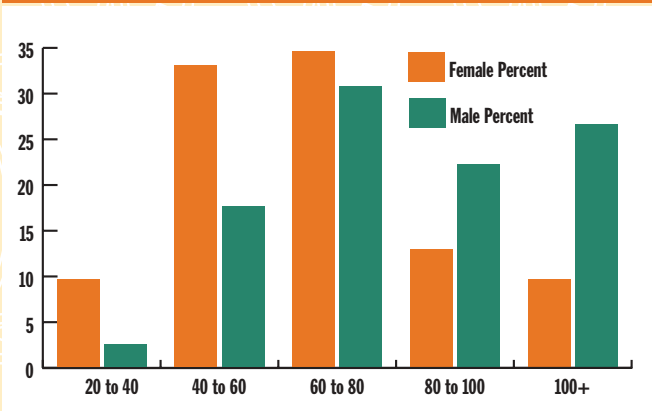
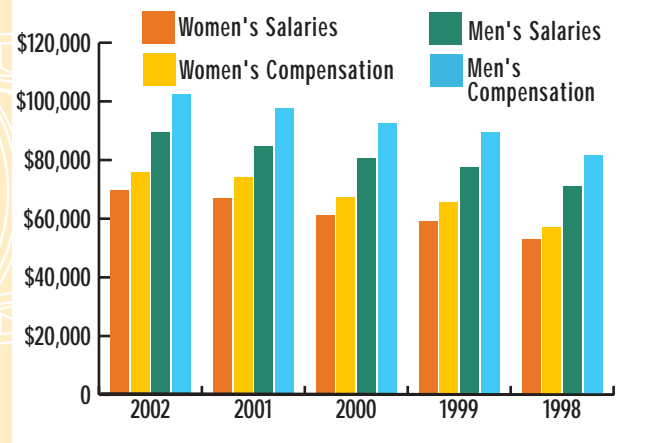


Figure 2: AVE. SALARY AND TOTAL COMPENSATION BY GENDER



impact on the overall averages because this is also the age category with the fewest number of observations (17, or 3.2% of the women, vs. 68, or 5.9% of the men).

Women's compensation as a percent of men's is closest in the 19-29 age category (93.8% for average salary; 91.0% for average total compensation). This percentage decreases for each age range until the anomaly is encountered in the 60 and over category. In addition, these percentages for average total compensation are less than the percentages for average salary for every age category (even for the 60 and over category). Thus, there is not only a gender gap this year in salaries for women up to age 60 that widens as age increases, but the gender gap is even greater for women's total compensation.

Table 5 compares compensation of men and women by categories of "years in the field" and again provides evidence of a compensation gender gap. Women earn less than men for each of the "years in field" categories, and the difference in compensation by gender is statistically significant. Women's compensation as a percent of men's is shown in the last column of this table. In 2001, the data showed that the first three categories (i.e., up to 15 years) of years in the field exceeded 80% for compensation, with the highest percentage being for the most recent hires (1 to 5 years); this indicated that the gender gap might be narrowing.

In 2002, however, there are only three instances where women's com-

Table 5: COMPENSATION COMPARISONS BY YEARS IN THE FIELD

	Women		Men		All	Women as a percent of men
Average Salary						
1 to 5	\$57,477	[39]	\$73,216	[91]	\$68,494	78.5%
6 to 10	\$61,331	[107]	\$70,487	[157]	\$66,776	87.0%
11 to 15	\$63,837	[116]	\$83,917	[183]	\$76,073	76.1%
16 to 20	\$74,258	[105]	\$96,020	[194]	\$88,315	77.3%
More than 20	\$79,914	[148]	\$97,595	[518]	\$93,591	81.9%
Average Total Compensation						
1 to 5	\$61,078	[39]	\$81,504	[91]	\$75,377	74.9%
6 to 10	\$65,773	[107]	\$77,557	[157]	\$72,781	84.8%
11 to 15	\$69,438	[116]	\$95,157	[183]	\$85,096	73.0%
16 to 20	\$83,065	[105]	\$113,232	[194]	\$102,820	73.4%
More than 20	\$86,570	[148]	\$112,351	[519]	\$106,517	77.1%

Number of responses shown in brackets.

compensation as a percent of men's exceeds 80%, which tends to contradict last year's good news. Two of these are in the "6-10 years in field" categories for both average salary and average total compensation measures where the women's compensation increases but the men's actually decreases—so the gender gap actually decreases for this one category. The only other instance where women's compensation as a percent of men's is over 80% in 2002 is in the "over 20 years in field" category for average salary. Overall, then, the gender gap doesn't appear to be narrowing. Furthermore, note that the percentages for average total compensation are three to four percentage points less than average salary for each "years in field" category, indicating again that men appear to have more opportunities for additional compensation than women. This observation is consistent with the 2001 results.

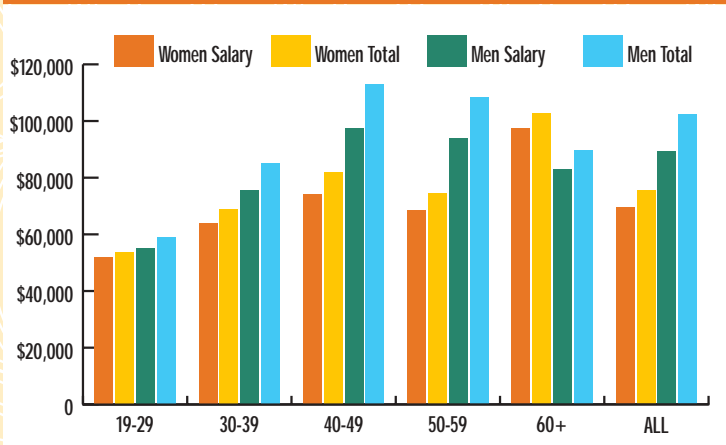
More evidence to help explain the gender gap is provided when comparing respondents in each of the management levels tracked in this study. While the proportion of men and women is essentially the same in senior management, the proportion of women is greater in middle- and lower-/entry-level management positions, and men have the advantage in the top-management-level positions. Thus, proportionately more men are in the top-management positions where salaries are greater, and proportionately more women occupy positions in middle and lower-/entry-level management where the salaries are less. The average salaries for women are less than those for men in each of the management categories depicted. When looking at the four categories that have the most respondents (top, senior, middle, lower-/entry-level management), the smallest difference is in the lower-/entry-level management category (slightly less than \$4,800), followed by senior-level management (approximately \$11,800), then middle management (approximately \$17,700), followed by top management with the largest difference of just under \$26,700.

When both management level and age categories are examined, the

proportion of men in top management exceeds the proportion of women for all five age categories. For the senior-, middle-, and lower-/entry-level management positions, the proportion of men exceeds women in only four cases out of 15: the 20-29 and 30-39 age categories for senior management, over 60 age category for middle management, and 20-29 age category for lower-/entry-level management. For all other cases, the proportion of women for the remaining age categories for senior-, middle-, and lower-/entry-level management positions exceeds the proportion of men. Thus, men tend to dominate the top-management positions where compensation is greater, which is most likely one of the reasons for the gender gap—an inability of a large proportion of women to penetrate the "glass ceiling."

Some additional factors that may impact the gender gap are differences in age and years in the field. When the average age is calculated for the various "years in field" categories, the average age is virtually the same for men and women—the only slight difference is in the "1-5 years in field" category where women are, on average, two years younger than men. When the proportion of women in the various age categories is examined (i.e., 19-29, 30-39, etc.), though, there is a greater proportion of women in the three younger categories (up to age 50) while the proportion of men is greater in the two older categories (50 and over), confirming that women in this sample are younger. Examining the age categories by management level, the average age within each category for all management levels is very similar. For the most part, the average for the number of years in the field by gender is very similar by age category and management level. But for top management, the average number of years in the field for women is slightly less (at least one or more years) for each of the five age categories. For the 50-59 age category, the average for years in field ranges from two to six years less for women for all four management levels. Thus, the number of years spent in the field may have a slight impact on gender gap.

Figure 3: SALARY AND TOTAL COMPENSATION BY AGE AND GENDER



(see 2001, 2000, 1998, 1996), but this isn't true this year. Also consistent with past years, compensation for members with CMAs is greater than for those with CPAs in some age categories while the opposite is true for other categories. Similarly, individuals with CMAs or CPAs may earn more than those with both certificates and vice versa. Over the years there has been no uniform pattern, and the differences in compensation among those holding the CMA, CPA, or both the CMA/CPA are not statistically significant.

Women are less likely to be certified than men (39% of women aren't certified as compared to 32% for men), but the percentage of women not certified dropped from the 43% reported last year, and this percentage has dropped from 49% in 1997, the first year this statistic was tracked. The proportion of men holding the CMA is greater than the proportion of women (43% vs. 36%), but the proportion of men and women holding the CPA is almost the same at 39% and 40%, respectively. Men with certification have an average salary and average total compensation of \$94,809 and \$110,080, respectively, while the amounts for the identical variables for women are \$73,778 and \$80,501. These differences in compensation by gender regarding certification are statistically significant. There are significant differences in compensation by gender or certification but not by the interaction of these two variables.

In addition, some employers will give immediate salary increments when an employee successfully completes a certification examination. This year, 13% of the respondents reported receiving salary increments ranging from \$100 to \$16,000 when they completed the CMA examination. The median amount of the increment was \$2,750, and the mean was \$3,621. Though the percentage receiving increments for completing the CPA examination is greater, at 23%, the median amount of the raise is less, at \$2,040, as is the mean of \$3,445 (range of increments is \$300-\$15,000). These percentages and amounts are consistent with what has been reported in prior years.

COMPENSATION AND DEGREES

Individuals pursue degrees and advanced degrees with the expectation that their compensation will be greater, and this is confirmed by the data presented in Table 6. Average compensation increases with degree, and the differences are statistically significant. This has generally been true over the prior 13 years of the salary survey. The average salary for the two largest categories—baccalaureate and master's degrees—increased about 5.5% in 2002 over

Table 6: COMPENSATION BY HIGHEST DEGREE OBTAINED

Highest Degree	Average Salary	Average Total Compensation
Less than baccalaureate	\$59,448 [29]	\$64,105 [29]
Baccalaureate	\$77,966 [909]	\$87,230 [909]
Master's	\$90,744 [687]	\$104,559 [688]
Doctorate	\$94,043 [34]	\$97,637 [34]

Number of responses shown in brackets.

2001, while the average total compensation increased 4.4% for those with a baccalaureate degree and 5.8% for those with master's degrees. This provides further evidence that the compensation increase is statistically significant in 2002 over 2001.

Similar to the findings about certification, salary increments are often given when an individual completes an advanced degree. Of the respondents holding a master's degree, 18% reported that they received increments ranging from \$300 to \$50,000, with a median amount of \$5,000 and an average of \$8,202. In prior years, the percentage of respondents getting salary increments has been 13%-20%, and the mean is less than the amount awarded during both 2000 and 2001.

The amounts awarded to those who earn a doctorate are generally much higher because this degree is required for academe and generally signals the entering of a new field. This year, 21% of those with doctorates (small sample) reported receiving salary increments between \$5,000 and \$60,000, with a median of \$20,000 and a mean of \$21,714. These increments are slightly less than the amounts reported in 2001 when the highest amounts were achieved.

COMPENSATION BY FIRM SIZE, SIC AREA

Average salary by two size factors—number of employees at one location and number of individuals employed by the entire organization—are presented in Table 7. Various patterns have emerged in each of the 14 years. This year, average salary by location increases for each size category, starting with the 10-24 category, and only the 1-9 category is out of order (it exceeds the 10-24 category).

When the number of employees in the entire organization is examined, the 5,000+ category is the largest category in terms of the number of observations and the average salary. The next largest average salary for this measure is the 500-999 category followed by the 1,000-2,499 category and then the 2,500-4,999 category. The average salary actually decreases as the number of employees increases for these three categories. The average salary for both

organization size measures in 2002 exceeds those for 2001 for all categories except for the 10-24 people category—the category with the smallest average salary. This isn't unusual because for the past three times when there were significant average salary increases (1997, 1999, 2001), a similar pattern has been true.

Further evidence that the increase in average salary is statistically significant in 2002 is reflected in Table 8—Compensation by SIC (standard industry code) Area. The average salary and average total compensation increased for every SIC area except Agriculture, Forestry, Fisheries and Contract Construction. In fact, outside of Government, the Agriculture, Forestry, Fisheries area was the lowest ranking SIC area, when in 1999 it ranked first (the only time it has ranked that high). The SIC area with the

Table 7: SALARY BY LOCATION AND ORGANIZATION SIZE

Number of People	Employed at Location Average Salary	Employed in Entire Organization Average Salary
1 to 9	\$80,562 [112]	\$80,184 [71]
10 to 24	\$74,538 [128]	\$76,000 [79]
25 to 99	\$81,276 [366]	\$77,379 [207]
100 to 499	\$81,915 [556]	\$80,585 [310]
500 to 999	\$86,669 [169]	\$83,196 [135]
1,000 to 2,499	\$88,282 [173]	\$81,264 [169]
2,500 to 4,999	\$90,996 [57]	\$81,016 [123]
5,000 plus	\$93,287 [86]	\$89,841 [558]

Number of responses shown in brackets.

Table 8: COMPENSATION BY SIC AREA

SIC	Average Salary	Average Total Compensation
Agriculture, Forestry, Fisheries	\$76,826 [21]	\$85,009 [21]
Mining	\$82,533 [9]	\$114,230 [10]
Contract Construction	\$78,775 [50]	\$95,736 [50]
Manufacturing	\$84,321 [637]	\$94,537 [637]
Transportation, Communications, and Utility Services	\$81,543 [115]	\$93,224 [118]
Wholesale and Retail Trade	\$82,438 [140]	\$95,157 [140]
Finance, Insurance and Real Estate	\$87,097 [159]	\$104,668 [159]
Services (all)	\$82,959 [415]	\$92,207 [415]
Medical/Health services	\$87,750 [65]	\$93,725 [65]
Educational services	\$69,905 [85]	\$72,377 [85]
Public Accounting	\$90,057 [101]	\$103,284 [101]
Other service SIC codes	\$83,454 [164]	\$95,061 [164]
Government	\$72,907 [66]	\$74,961 [66]
Nonclassifiable	\$82,475 [35]	\$87,235 [35]

Number of responses shown in brackets.

highest average salary is the Finance, Insurance and Real Estate area—one of the two areas (Mining is the other) most often ranking first over the 14 years of this study (1991, 1996, 2000, 2001). But when public accounting is segregated out of the Services area (Services is broken down into four smaller classifications in Table 8), it has the highest average salary. For total compensation, the Mining area ranked the highest (even higher than the subclassification of Public Accounting) in 2002—the same as 1990, 1993, 1994, and 1998.

HOUSEHOLD INCOME

The median household income for 2002 is \$103,650, and the average household income is \$117,250. The average household income increased 4.6% in 2002 over 2001, a rate that is statistically significant. The average household income for male members increased 3.9% in 2002 to \$120,327, while that of female members increased 6.0% to \$110,410. The difference in average household income between men and women in 2002 is statistically significant.

A total of 83% of IMA members are married, and 67% of the members' spouses are employed outside the home (Table 2). Consistent with prior years, a greater proportion of male members than female members are married (87% vs. 73%), and this difference is statistically significant. Furthermore, 87% of women have spouses who are employed outside the home, while only 59% of men's spouses are employed outside. The difference in the proportion of spouses of men and women who work outside

the home is statistically significant. The spouses of female members earn more than spouses of male members (\$64,081 vs. \$39,502), a difference that is statistically significant. This difference most likely accounts for the increase in average household income for female members being greater than for male members as reported in the previous paragraph. While 70% of the married members have children, men support more children than women do (1.58 vs. 1.11), a difference that is statistically significant.

The 2002 median and average household income of married members is \$112,500 and \$124,993, respectively. The average household income increased by 2.5% in 2002, but this amount isn't statistically significant. The average household income of married male members exceeds that of married women members (\$125,420 vs. \$123,936), but this

Table 9: AVERAGE SALARY BY STATE

	Average Salary	Standard Deviation	
Northeast Region	\$93,202	\$40,093	[103]
Connecticut	98,496	45,016	[24]
Maine	61,643	1,379	[7]
Massachusetts	98,558	36,679	[49]
New Hampshire	78,111	26,374	[9]
Rhode Island	96,700	54,902	[10]
Vermont	*	*	[4]
Mid-Atlantic Region	\$88,836	\$42,128	[325]
Delaware	112,167	43,153	[6]
Maryland	86,357	39,145	[18]
New Jersey	96,202	32,935	[63]
New York	92,763	46,624	[76]
Pennsylvania	82,117	45,791	[110]
Virginia	85,189	37,192	[48]
Washington, D.C.	*	*	[3]
West Virginia	*	*	[1]
South Region	\$78,377	\$39,900	[294]
Alabama	75,038	19,760	[26]
Arkansas	*	*	[3]
Florida	91,452	76,679	[47]
Georgia	85,315	32,709	[40]
Kentucky	74,276	29,138	[28]
Louisiana	77,755	37,205	[23]
Mississippi	*	*	[4]
North Carolina	76,941	26,114	[60]
South Carolina	75,176	22,950	[27]
Tennessee	67,737	23,708	[36]
Midwest Region	\$78,511	\$39,289	[534]
Illinois	84,333	29,663	[66]
Indiana	76,119	29,857	[62]
Iowa	66,444	27,894	[34]
Michigan	81,076	34,004	[95]
Minnesota	77,738	49,588	[72]
Missouri	85,025	51,426	[21]
Ohio	84,688	47,848	[92]
Wisconsin	70,701	36,732	[92]

Plains Region	\$83,601	\$40,947	[116]
Kansas	79,779	48,821	[22]
Nebraska	68,610	24,760	[17]
North Dakota	*	*	[2]
Oklahoma	87,488	46,707	[8]
South Dakota			[0]
Texas	88,026	40,283	[67]
Mountain Region	\$78,351	\$33,964	[76]
Arizona	77,998	37,258	[22]
Colorado	89,603	40,956	[21]
Idaho	79,721	19,446	[7]
Montana	*	*	[2]
Nevada	55,639	13,041	[7]
New Mexico			[0]
Utah	75,886	28,787	[16]
Wyoming	*	*	[1]
West Coast Region	\$88,787	\$36,127	[191]
Alaska	74,655	28,313	[12]
California	95,505	41,010	[112]
Hawaii	*	*	[4]
Oregon	83,507	29,551	[21]
Washington	77,768	22,187	[42]

* Data not reported to protect confidentiality.
Number of responses shown in brackets.

COMPENSATION BY REGION, RESPONSIBILITY, AND POSITION

Table 9 presents the average salary and the standard deviation for each of seven logical regions into which each of the 50 states and Washington, D.C., have been categorized. As has been true in prior years (1997-1999, 2001), the Northeast, West Coast, and Mid-Atlantic regions ranked first through third in average salary. The Plains region ranked seventh in average salary in 2001 but jumped to fourth in 2002 with an 18.2% increase in average salary. The other six regions also had salary increases ranging

Table 10: COMPENSATION BY RESPONSIBILITY AREA

	Average Salary	Average Total Compensation
1 General Management	\$102,563 [231]	\$121,518 [231]
2 Finance	\$94,373 [210]	\$109,653 [210]
3 Public Accounting	\$88,632 [94]	\$102,890 [94]
5 Risk Management	\$85,048 [11]	\$100,421 [11]
6 Budgeting and Planning	\$83,020 [83]	\$91,877 [83]
8 Internal Auditing	\$82,459 [38]	\$88,624 [38]
9 Information Systems	\$81,574 [44]	\$86,971 [44]
7 Corporate Accounting	\$81,005 [454]	\$91,387 [454]
4 Taxation	\$80,673 [28]	\$102,368 [28]
11 Education	\$72,005 [55]	\$75,824 [55]
10 General Accounting	\$70,426 [228]	\$76,148 [228]
13 Government Accounting	\$68,823 [52]	\$70,256 [52]
12 Cost Accounting	\$67,961 [115]	\$74,523 [115]
14 Personnel Accounting	* [1]	* [1]

* Data not reported to protect confidentiality.
Number of responses shown in brackets.

Table 11: COMPENSATION BY POSITION

	Average Salary		Average Total Compensation	
Top-Level Management	\$106,890	[357]	\$129,356	[358]
Senior Vice President	141,706	[17]	199,347	[17]
Partner	154,785	[14]	197,418	[14]
Executive Vice President	121,075	[10]	153,335	[10]
Corporate Treasurer	104,018	[26]	134,853	[11]
Corporate Secretary	91,900	[11]	134,808	[11]
President	113,949	[11]	132,403	[11]
Chief Financial Officer	105,569	[196]	122,649	[196]
Chief Executive Officer	112,240	[5]	119,840	[5]
Owner	91,474	[59]	112,174	[60]
Principal	94,304	[8]	101,104	[8]
Chair of the Board				
Senior Management	\$85,371	[296]	\$97,690	[296]
Vice President	107,175	[60]	133,858	[60]
Assistant Vice President	86,944	[9]	103,022	[9]
Consultant	91,293	[27]	101,374	[27]
Corporate Controller	75,327	[192]	82,003	[192]
Divisional Vice President	*	[4]	*	[4]
Group President	*	[1]	*	[2]
Group Vice President	*	[3]	*	[3]

	Average Salary		Average Total Compensation	
Middle Management	\$81,057	[628]	\$89,607	[628]
Director	104,941	[86]	120,559	[86]
General Manager	95,212	[12]	113,453	[12]
Divisional Controller	93,519	[94]	108,340	[94]
Manager	79,270	[215]	85,739	[215]
Plant Controller	77,482	[83]	83,845	[83]
Asst. Corporate Controller	65,909	[59]	71,574	[59]
General Supervisor	63,812	[6]	66,924	[6]
Supervisor	59,832	[43]	61,924	[43]
Chief Accountant	54,239	[30]	55,982	[30]
Lower Management/Entry Level	\$60,786	[290]	\$63,517	[290]
Auditor	82,201	[21]	85,401	[21]
Systems Analyst	71,190	[10]	76,010	[10]
Financial Analyst	63,357	[110]	65,810	[110]
Senior Accountant	55,951	[97]	58,929	[97]
Staff Accountant	52,775	[51]	54,789	[51]
Economist	*	[1]	*	[1]
Programmer	-		-	
Academic Positions	\$68,003	[55]	\$70,389	[55]
Professor	79,969	[13]	82,969	[13]
Associate Professor	65,781	[18]	69,684	[18]
Assistant Professor	65,486	[7]	67,771	[7]
Instructor	60,571	[7]	61,086	[7]
Administrator	57,133	[6]	57,333	[6]
Department Chair	*	[4]	*	[4]
Dean	-		-	
Other	74,894	[31]	80,386	[31]

* Data not reported to protect confidentiality.
Number of responses shown in brackets.



from 2.3% (Midwest) to 8.7% (Mid-Atlantic); this is different from last year when five regions had increases and two had decreases. The increases in average salary amounts in 2002 over 2001 for the Plains and Mid-Atlantic regions are the only ones that are statistically significant.

Major responsibility areas are presented in Table 10 by decreasing order of average salary. General management and finance, those responsibility areas usually considered executive levels, rank the highest, while those usually considered entry-level—cost accounting and general accounting—are at the bottom of the list. Eight of the responsibility areas (general management, finance, public accounting, risk management, corporate accounting, internal auditing, information systems, and general accounting) showed increases in average salary in 2002 over 2001, while all but taxation, budgeting and planning, education, cost accounting, and government accounting showed increases in average total compensation in 2002.

Job titles are difficult to categorize into management levels because there is no uniform definition or use across organizations. We attempted to logically classify 42 job titles (one of which is “other”) into five job categories as shown in Table 11: top-level management, senior management, middle management, lower-/entry-level management, and academic. Note that the average compensation for the four management levels increases by rank.

The average salary and average total compensation increased for all four management levels in 2002 over the amounts reported in 2001, but only the increases for the lower-/entry-level at 8.4% for average salary and 5.9% for average total compensation are considered statistically significant. Average salary for academics increased 0.5% in 2002 over 2001, but for the second year in a row the average total compensation for academics decreased (3.6%). These percentage changes in 2002 from 2001 are not considered statistically significant, though.

difference is not statistically significant. This is the fourth year in a row that there has been no statistical difference by gender in household income for married members.

The average household income for married members can be examined from many aspects, such as single vs. dual income in total and married with and without children. Obviously, the household income of married members with dual incomes exceeds that of married members when only one spouse works (\$130,203 vs. \$116,284). This difference in average household income for dual- and single-income married members is statistically significant. The household income of married members with children (single- and dual-income) exceeds that of married members with no kids (\$128,629 vs. \$118,215), and this amount is statistically significant. This is the same as in 2001, except the difference wasn't statistically significant in 2001. In 2000, though, the household income of married members without children exceeded that of married members with children.

The average household income of dual-income married members with kids amounts to \$133,566 and is greater than the \$123,010 attributed to dual-income married members with no kids (commonly referred to as DINKS). This difference in average household income is statistically significant. The average household income of DINKS was greater than that of dual-income members with children in 2001, too, but the opposite was true in 1999 and 2000. The average household income of single-income married members with children exceeds that of single-income married members with no children (\$119,689 vs. \$106,249) and is consistent with 1999 but the opposite of the past two years (2000 and 2001). This difference in single-income married members with and without chil-

dren is statistically significant in 2002; it wasn't in 2001.

When gender is considered with respect to the average household income of dual- vs. single-income married members, the results differ from 2001. The average household income of dual-income female members (with and without children) is greater than that of their male counterparts (\$131,281 vs. \$129,601), which is exactly the opposite of what occurred in 2001. This difference is not statistically significant, probably because the spouses of female members earn more than the spouses of male members as discussed previously. For single-income married members (with and without children), male members earn more than female members (\$120,813 vs. \$78,851), which is consistent with 2001. This difference is statistically significant, just as it was in 2001.

The bar graph depicted in Figure 4 provides a complete breakdown of household income of married members by single vs. dual income, by children and no children, and by gender. Notice that the average household income of single-income married men, both with and without children, exceeds that of single-income married women by a considerable margin; this difference is statistically significant. This was true in 2001 also, but the differences between the men and women based on children or no children (approximately \$39,000 and \$41,000 respectively) are much greater in 2002 than 2001, providing further evidence that the narrowing gender gap reported last year may have been short lived. The average household incomes for dual-income married men and women with children are almost the same (men exceed women by approximately \$800) and are statistically insignificant. This is similar to last year when the difference was also statistically insignificant (men exceeded

Figure 4: AVERAGE FAMILY INCOME OF MARRIED MEMBERS

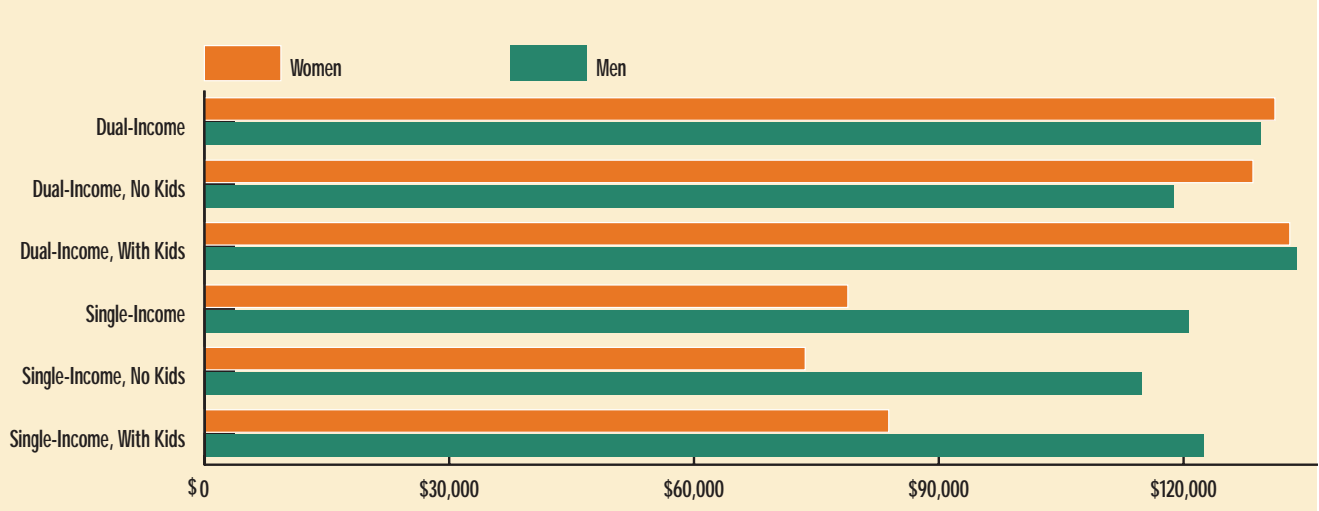


Table 12: AVERAGE SALARY BY MANAGEMENT LEVEL, EDUCATION, AND GENDER

	TOP MANAGEMENT				SENIOR MANAGEMENT			
	Women		Men		Women		Men	
No Degree	\$70,254	[7]	\$71,250	[4]	*	[1]	\$59,375	[4]
Baccalaureate	\$86,712	[39]	\$106,708	[146]	\$72,405	[58]	\$81,787	[108]
No CMA or CPA	85,997	[18]	88,932	[35]	67,189	[25]	76,097	[32]
CMA	*	[2]	97,223	[19]	84,800	[5]	85,380	[29]
CPA	75,300	[10]	113,880	[60]	75,097	[18]	78,357	[29]
Both CMA and CPA	107,437	[7]	127,148	[22]	75,444	[9]	94,509	[14]
Master's	\$88,177	[22]	\$118,818	[133]	\$85,491	[32]	\$98,891	[124]
No CMA or CPA	*	[3]	98,529	[34]	70,030	[10]	81,212	[36]
CMA	92,983	[6]	137,425	[35]	99,338	[6]	104,175	[30]
CPA	90,763	[8]	125,867	[26]	89,599	[11]	98,037	[12]
Both CMA and CPA	81,746	[5]	115,102	[36]	90,760	[5]	106,650	[23]

	MIDDLE MANAGEMENT				ENTRY-LEVEL MANAGEMENT			
	Women		Men		Women		Men	
No Degree	\$46,825	[4]	\$51,389	[5]	*	[3]	*	[1]
Baccalaureate	\$67,168	[134]	\$80,607	[214]	\$57,769	[79]	\$59,535	[103]
No CMA or CPA	62,194	[52]	75,823	[80]	48,998	[39]	53,652	[44]
CMA	70,677	[31]	77,943	[45]	53,830	[10]	59,121	[22]
CPA	66,310	[22]	86,878	[38]	84,622	[17]	67,826	[18]
Both CMA and CPA	76,026	[26]	88,361	[38]	55,714	[11]	64,994	[71]
Master's	\$74,772	[67]	\$93,832	[193]	\$59,000	[36]	\$68,164	[63]
No CMA or CPA	73,533	[26]	89,804	[68]	50,809	[12]	65,530	[25]
CMA	77,265	[10]	89,684	[51]	72,579	[5]	66,944	[17]
CPA	67,346	[10]	92,466	[24]	65,688	[8]	*	[3]
Both CMA and CPA	82,462	[13]	95,410	[45]	61,592	[9]	77,172	[15]

* Data not reported to protect confidentiality. Number of responses shown in brackets.

AVERAGE SALARY PROFILE

Table 12 presents average salary by four of the common defining characteristics that influence salary level in this study—degree (baccalaureate and master's), certification, management level, and gender. This table has 88 cells, allowing for a maximum of 44 comparisons (some of the cells are empty because there weren't enough observations to ensure confidentiality), and permits an individual to compare his/her salary with others who share the same or similar characteristics. Only casual comparisons should be made with the data presented in this table because they are based on subsets from the population that don't have sufficient responses to consider all attributes. An example of a comparison that could be made would be individuals in middle management with a baccalaureate and CMA: The 31 women earn an average of \$70,677 as compared to \$77,943 for the 45 men.

You would expect that average salary would increase with management level, and this is the case except for seven comparisons—five for women and two for men. The seven exceptions are: (1) Top management women with a master's and CMA and (2) top management women with a master's and both the CMA and CPA earn less than their counterparts in middle management; (3) women in senior management with a baccalaureate and

a CPA and (4) women in senior management with a master's and no certification earn less than their counterparts in middle management; (5) women in middle management with a baccalaureate and CPA earn less than their counterparts in entry-level positions; (6) men in senior management with a CPA and (7) men in senior management with a master's and no certification earn less than their counterparts in middle management.

As stated previously, members with certification generally earn more than those with no certification (refer to Table 4). This is reinforced by Table 12, where there are only three exceptions: (1) Women in top management with a baccalaureate and a CPA earn less than their counterpart with no certification; (2) women in middle management with a master's and a CPA earn less than their counterpart with no certification; (3) middle-management men with a master's and a CMA earn less than their counterpart with no certification.

The gender gap by management level is very evident when examining Table 12. There are only two places where women earn more than their male counterparts with respect to management level, and this is in entry-level management: (1) Women with a baccalaureate and a CPA as well as (2) women with a master's and a CMA earn more than their male counterparts.

women by approximately \$2,700). This year the average household income of female DINKS is greater than that of male DINKS by about \$10,000. This difference in average household income is statistically significant in 2002 (it wasn't in 2001) and is similar to the results observed in 1999 and 2000 but exactly the opposite of 2001.

ALTERNATIVE CAREER PATHS

Alternative career paths of IMA members have been examined for the past several years through these questions: (1) Indicate a percentage by which you would be willing to reduce your hours worked with a proportional decrease in compensation if such an option were provided by your employer. (2) If appropriate, would you choose between a career path allowing more flexible (rigid) work hours providing more (less) time for family commitments but resulting in slower (faster) career advancement? (3) Identify any career interruption that you might have experienced, and indicate the duration. These issues have been tracked in total, by gender, and by marital status (both with and without children).

Consistent with the results since this was first traced in 1996, the proportion of the respondents expressing a willingness to reduce their hours worked with a proportional decrease in compensation if such an option were provided by their employer is 36% (ranges since 1996: 35%-45%). The most common reductions suggested are: 5% by 11% of the respondents, 10% by 34% of the respondents, and 20% by 27% of the respondents. The mean percentage reduction is 16.9%. These percentages are fairly consistent with those reported in 2001.

When the reduction percentage is examined by gender, more women than men express a desire for a reduction in their hours/compensation (48% vs. 31%), with a mean

reduction percentage of 19.3% vs. 15.3%, respectively. The percentages of women and men interested in the reduction of hours/compensation are within the ranges experienced since 1997 (range of interest for women: 45%-60%; range of interest for men: 30%-44%), but the mean reduction for both women and men is the greatest since this was calculated in 1998 (ranges for mean reduction: women—17.8%-18.3%; men—14.0%-14.9%). The differences by gender with respect to the interest in a reduction of work/compensation as well as the mean percentage reduction in hours/work are statistically significant.

An examination of the reduction in hours/compensation by age category reveals that the greatest mean reduction is in the 60 and over category (22.4%). The 30-39 and 40-49 age categories have the greatest interest in this feature at 39%, but their mean reduction percentages are only 17.7% and 15.8%, respectively. When management level is considered for this question, 61%-63% of the respondents in top, senior, and middle management are interested in this option, but only 37% in the lower- and entry-level management positions are interested. Furthermore, individuals in the lower-/entry-level positions have the lowest mean reduction percentage of 13.2% (range of others: 15.1%-17.0%). This would seem to indicate that those in the entry-/lower-level management positions are striving to move up in their organizations.

When examining reduction of hours/compensation by marital status, 36% of the single members (single and divorced are combined for this statistic) are interested in this feature, with a mean reduction percentage of 16.6%, which is consistent with the last four years. The same results for married members show that 36% are interested, with a mean reduction of hours/compensation of 17.1%. The percentage of interested married members is consistent with the values recorded for 1998-2001 (range of 34%-49%), but the mean reduction is the highest recorded in this same period (16.0%-16.6%). The mean reduction of hours/compensation for those with children or no children was almost identical at 16.8% and 17.2%. When examining this factor for married members with respect to income (single vs. dual) and children (with and without kids), the dual-income members with children are the most interested in the feature (58%), but this group has the smallest mean reduction percentage (10.2%). The single-income with children category is the least interested (30%), suggesting that this group of members needs as much income as possible to support their children. The single-income members without kids had the largest mean reduction percentage (20.3%), sug-

HOW THE SURVEY WAS CONDUCTED

The salary survey was mailed during November 2002 to a random sample of 4,836 IMA members selected to geographically represent the membership of the Institute of Management Accountants in the United States. The questionnaire packet included a return envelope and a separate postcard to indicate return of the survey. A follow-up survey was sent in December 2002 to those who hadn't returned the postcard from the first mailing. The sample size was selected to allow for a 95% confidence level of estimating the population mean within plus or minus 3% based on expected return rates.

A total of 1,824 questionnaires was returned, yielding an overall response rate of 39%. Of this number, there were 1,668 usable questionnaires representing 35% of persons surveyed. This response rate allows for a 95% confidence level for all data on the survey because those persons responding to the survey represented the IMA membership proportionately for those demographics maintained by IMA.

CALCULATING AN AVERAGE SALARY

Calculating an estimated average salary employing some of the significant demographic variables tracked in the survey was a feature introduced in 1989. Last year, two regressions were introduced—one for women and one for men. The separate regressions for women and men are used again this year and are presented in Table 13. Both regressions have factors for management level, advanced degree, and certification, but, while each has several factors, the factors aren't the same for each gender. Furthermore, the dollar values aren't the same for both genders as you would expect from the prior discussion. The regression analysis predicts up to 23% of the variability in salaries for women and 22% for men—this is slightly better than what was experienced last year.

To calculate your own “personal salary,” start with the base for your gender—male or female column. Then add the various factors to the base salary as they apply to your situation. Add (or deduct for entry-level

Table 13: ESTIMATING A SALARY LEVEL FOR IMA MEMBERS

		Men	Women	Your Calculation
Start with this base figure		\$64,625	\$52,544	
If you are TOP-level management	ADD	22,970	14,962	
OR				
If you are SENIOR-level management	ADD	-----	7,561	
OR				
If you are ENTRY-level management	SUBTRACT	20,725	11,720	
Number of years in the field _____TIMES		521	630	
If you have an advanced degree	ADD	13,737	7,175	
If you hold the CMA	ADD	8,786	11,458	
If you hold the CPA	ADD	8,619	-----	

Your Estimated Salary Level

management) the increment for your management level, add the product of the number of years in the field to the increment, add the increment for an advanced degree, and, finally, add the increment(s) for certification.

gesting that they have adequate monetary resources and would like more time for leisure activities. Only 42% of DINKS are interested in this feature, with a mean percentage reduction of 14.7%.

For the career advancement option (career path allowing more flexible (rigid) work hours providing more (less) time for family commitments but resulting in slower (faster) career advancement), 62% of the respondents believed this was relevant for them—the lowest percentage since this was calculated in 1998 (range of 63%-65%). For those who thought this was relevant, 82% wanted the flexible/slower advancement, which is up from the 79% in 2001 and the highest percentage recorded since this was first traced in 1996 (75%-79%).

Women favored the flexible/slower advancement more than men did—89% vs. 79%—both of which are the largest percentages over the past three years (ranges for 1999-2001: women—81%-85%; men—72%-78%). This difference by gender in 2002 is statistically significant—the same as in 2001. When examined by age category, the percentage of respondents who think this feature is relevant decreases from 75% for the 20-29-year-olds to 28% for the 60 and over category—very consistent with 2001. Furthermore, the percentage who want flexibility increases from 70% for the 20-29 age category to 87% for the 50-59 and over 60 categories. The interesting observation is that this feature becomes less relevant as members get older, but for those interested in the feature, the more it is desired.

The feature is relevant for 66% of the single (single and divorced are combined for this item) and 63% of the married members. Of those interested, 72% of the single members would like the flexible/slower advancement option, the greatest number over the past three years (59% to 65% in 1999-2001). For married members, 84% would select the flexible/slower advancement option, the highest percentage since 1996 (range since 1996: 75%-82%). This would indicate that IMA members want slower career advancement to have more time for family/leisure activities. When the married members are further classified by single/dual income and with/without children, only 46% of the single-income/no-kids category think that this is a relevant issue while the other three categories (single-income/with kids, dual-income/with and without kids) are over 60%. For those in each of the four categories who think it is relevant, however, 80%-88% would prefer a slower career advancement option. This is consistent with the findings in 2001.

This is the fifth year (first time was 1998) that data regarding career interruptions have been tracked. The impact of a career interruption is difficult to measure because it may be a positive or negative. For instance, you would hope an interruption to pursue an advanced degree would lead to an increase in salary. Yet a maternity leave or leave to care for an ill family member may cause the employee to lose out on a salary increase or promotion. An interruption from a loss of job may have a posi-

tive, negative, or no impact on salary depending on the individual's ability to find a new position. In addition, this survey is a "snapshot" of the current membership rather than a longitudinal study of specific members.

For 2002, there are 349 individuals, or 21% of the respondents reporting, with an interruption of at least six months or more (criterion for an interruption in this study); this is consistent with prior years (19%-22%). Women are more likely to have an interruption than men (25% vs. 19%), and this difference is statistically significant (last year it wasn't). The most frequently identified interruption for women was maternity leave, followed by pursuit of advanced degree and loss of job due to downsizing; for men, loss of job due to downsizing was the most frequently identified interruption, followed by pursuit of advanced degree and loss of job due to merger. None of the differences in the average length of the various interruptions by gender is statistically significant.

The individuals who experienced a career interruption are approximately five years older (49 vs. 44) than those who did not report an interruption, and this age difference is statistically significant. Furthermore, the difference in average salary and average total compensation between those who had an interruption and those who didn't is approximately \$6,700 and \$8,500, respectively, both of which are statistically significant. The average salary and average total compensation of men with no interruptions is greater than for those with interruptions (differences of approximately \$3,800 and \$4,900, respectively), but these differences aren't statistically significant. Yet the differences in average salary and average total compensation between women without and with interruptions is statistically significant at approximately \$8,600 and \$10,600, respectively. While there is a statistically significant difference in average salary for an interruption and a statistically significant difference by gender, there is no interaction in these variables—just because an individual is a female doesn't mean that her salary will be less because of a career interruption.

SUMMARY OBSERVATIONS

Differences in compensation by gender were first recognized in 1989, and they have been tracked ever since. Over the years, an attempt has been made to isolate various differences by gender including how the compensation differs by gender or what may cause the differences in compensation by gender. Sometimes this has been a success, but other times only more questions have been

raised, and this year is no different.

From a career standpoint, more women than men have a desire to reduce their hours with a proportional decrease in compensation. In addition, a larger proportion of women desire a more flexible/slower career path. Women are proportionally more likely than men to have a career interruption, and the largest interruption is maternity leave—one men don't have (although some men do take paternity leave). All of these factors could impact the compensation of women. But IMA members in general appear to favor a slower career advancement option to have more time for family/leisure-time activities.

The results from the 2001 salary survey seemed to indicate that the gender gap in compensation had narrowed. This year, the gender gap appears to have widened, especially when looking at average total compensation. When you search for reasons for the difference in compensation by gender, you hope to find some logical ones. This year's study reveals that the women are younger and have less experience; in particular, the average years in the field may impact compensation. There are proportionally more women in the lower-/entry-level positions and fewer in the top-management positions. For these reasons, fewer women are in the top or higher salary brackets. In addition, there appeared to be fewer opportunities for women to earn additional compensation. When comparing men's and women's compensation, women's was lower than the average salary comparisons by several measures, particularly age and management level. ■

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The authors wish to express their gratitude to the Institute of Management Accountants for their support in conducting this research.

1 Results of IMA's annual salary survey were first reported in the May 1990 issue of *Management Accounting* and then in the June issue from 1991 through 1998. From 1999 through 2002, they have been reported in the June issue of *Strategic Finance*. Authors are Karl E. Reichardt and David L. Schroeder.