

BENCHMARK INSIGHTS

2021 CISO Compensation Benchmark Study

SUMMARY REPORT

Table of Contents

Executive Summary	4
The CISO Compensation Gap Runs Wide	5
CISO Compensation Dissected	6
Canada lags behind all US regions in total compensation	7
Location contributes to pay differences	8
Females who break through at the CISO level command a market premium	8
Find More Benchmark Study Insights	9
Methodology	9
About Us	10

This summary report provides high-level insights from our 2021 CISO Compensation Benchmark Study.

The complete 2021 CISO Compensation Benchmark Study is a comprehensive, 21-page report which offers a more detailed set of data and is available to IANS clients through the IANS Portal, or available to non-clients upon request by contacting us at IANS@iansresearch.com

Executive Summary

Over the past 12 months, the chief information security officer (CISO) role experienced a visibility boost. Cyber leaders were already gaining more access to the C-suite and board of directors. Due to macro trends, their visibility has increased. Large-scale cyber attacks like the SolarWinds and Colonial Pipeline breaches made cyber an even more pertinent topic with executive audiences. The CISO role's prominence grew as organizations needed a comprehensive security program to help ensure a safe, nondisruptive transition to widespread remote work resulting from COVID-19.

With the rise in visibility and prominence, the demand for CISO talent grew even stronger. This increase in demand has led to turbulent market conditions and CISOs' eagerness to understand their market value and how their compensation compares to that of their peers.

This CISO Compensation Benchmark report offers objective and comprehensive data from 458 CISOs. They completed the second annual CISO Compensation and Budget survey, jointly fielded by IANS Research and Artico Search.

This report combines data from the survey with insights from executives at Artico Search, in particular Mercedes Chatfield-Taylor, co-founder and CEO, Matt Comyns, co-founder and president, and Steve Martano, partner in Artico Search's cyber practice. This combination of data and insights provides a thorough view into CISO compensation across the U.S. and Canada.

This is the first publication in a series of four reports that covers CISO compensation, security budgets, CISO job satisfaction and key security staff compensation.

Over the past 12 months, the chief information security officer (CISO) role experienced a visibility boost. Cyber leaders were already gaining more access to the C-suite and board of directors. Due to macro trends, their visibility has increased. Large-scale cyber attacks like the SolarWinds and Colonial Pipeline breaches made cyber an even more pertinent topic with executive audiences. The CISO role's prominence grew as organizations needed a comprehensive security program to help ensure a safe, nondisruptive transition to widespread remote work resulting from COVID-19.

With the rise in visibility and prominence, the demand for CISO talent grew even stronger. This increase in demand has led to turbulent market conditions and CISOs' eagerness to understand their market value and how their compensation compares to that of their peers.

This CISO Compensation Benchmark report offers objective and comprehensive data from 458 CISOs. They completed the second annual CISO Compensation and Budget survey, jointly fielded by IANS Research and Artico Search.

This report combines data from the survey with insights from executives at Artico Search, in particular Mercedes Chatfield-Taylor, co-founder and CEO, Matt Comyns, co-founder and president, and Steve Martano, partner in Artico Search's cyber practice. This combination of data and insights provides a thorough view into CISO compensation across the U.S. and Canada.

This is the first publication in a series of four reports that covers CISO compensation, security budgets, CISO job satisfaction and key security staff compensation.

The CISO Compensation Gap Runs Wide

The distribution curve for total annual compensation shows a wide gap between top and bottom, with a \$463,000 average and a \$342,000 median. Clearly, the curve is skewed toward the left. The long tail to the right side is the result of a small share of high-earners with total compensation more than \$1.5 million (see FIGURE 1).

The broad range in the total compensation reflects diversity in the market. It includes CISOs at small firms in sectors with relatively immature cyber programs, as well as those at Fortune 500 multinationals in highly regulated sectors and an established cybersecurity program.

Market disruptions contribute to the compensation gap

Which market trends contribute to the wide distribution in CISO pay? Steve Martano explains:

Business continuity has become front and center in the last 18 months. COVID-19, combined with the vast increase in widely publicized cyber breaches and ransomware attacks, forced organizations to rethink and reprioritize their security programs.

Some companies built out first-time programs, while others enhanced existing programs that were lacking in visibility and resourcing.

FIGURE 1

The Wide Distribution of CISOs' Total Compensation

The calculated annual total CISO compensation, including base salary, target bonus and equity (USD)



n = 458

Prior to 2021, cybersecurity was increasingly a pressing topic in most board rooms. The advanced attacks and costly public breaches and ransomware events over the last 12 to 18 months have increased the frequency and depth of those discussions.

COVID-19 and the work-from-home trend have accelerated the visibility of the CISO and the security apparatus, as endpoint security and vulnerability management became front and center due to the prevalence of remote work.

Lastly, public breaches such as SolarWinds and Colonial Pipeline raised the CISO profile even further, as boards asked questions about preparedness and risk profile for similar threat events.

This heightened attention to cybersecurity broadly led sophisticated companies to attempt to retain their existing CISOs to ensure continuity in their security programs or upgrade programs and/or leaders to keep up with an increasingly complex threat environment.

Amidst a challenging talent market where demand still far outweighs supply, companies boosted incentives including massive counteroffers and retention packages to keep security leaders they trust.

Nearly 75% of companies preparing CISO offers are contending against one or more competing offers and/or strong counteroffers from candidates' current employers.

CISO Compensation Dissected

CISO compensation varies greatly by industry.

In the sample, financial services CISOs average the highest total compensation at \$535,000, followed by CISOs in the tech and manufacturing sectors.

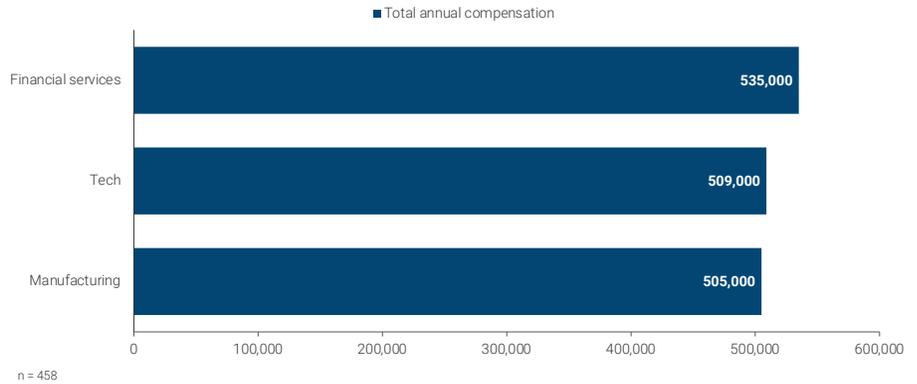
A range of factors explains the differences in compensation, including risk profiles, regulatory requirements, crown jewels and market conditions (see FIGURE 2):

- **Financial services** is a tightly regulated industry and its organizations typically have a low-risk profile. While the \$274,000 base salary isn't far above the overall average, its large target bonus and equity incentive structures mean total compensation for this industry tops the others.
- **Tech firms** are highly digital and susceptible to disruptions. What's more, subsectors like communications are considered critical infrastructure. These are all factors that increase CISO compensation. The above average total compensation of \$509,000 for the sample reflects that. It is also worth noting that tech sector executives are often incentivized with lucrative long term equity packages that pay out upon a successful exit, such as with an initial public offering.
- **Manufacturing** includes large defense firms, critical infrastructure and pharmaceutical firms, and others with high-stakes security operations, particularly related to supply chain, the Internet of Things and operational technology. The average \$505,000 total compensation is the third highest in the sample.

FIGURE 2

CISOs in Financial Services Have the Highest Total Compensation

What is your current annual base salary, annual target bonus and equity (USD)?



Canada lags behind all US regions in total compensation

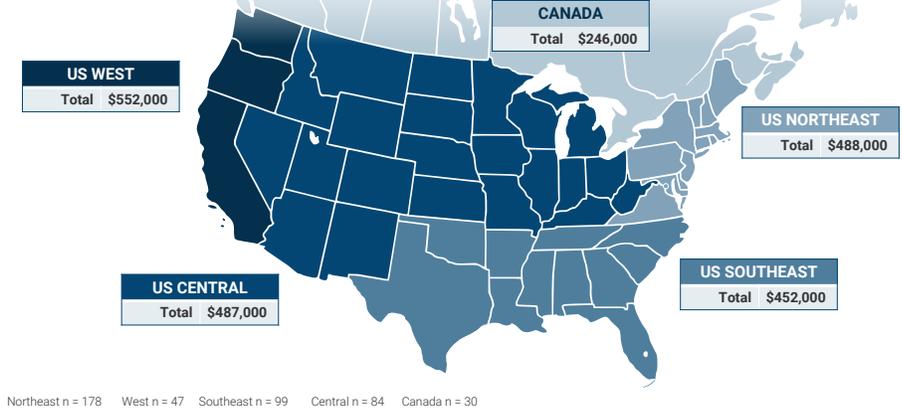
A closer look at regional differences within the U.S. and Canada, we see that (see Figure 3)¹:

- **U.S. West-based** CISOs benefit from the highest total compensation. The latter is roughly 20% higher than the average for the U.S. Southeast region. Compensation at tech firms in the West region drive up the average. More than a quarter of the U.S. West-based CISOs in the sample work in the tech sector.
- **U.S. Northeast** CISOs are not far behind those in the U.S. West in terms of total compensation, with one out of three respondents in this region working in the financial services sector, whose total compensation is on par with that of U.S. West-based CISOs. The averages for the Northeast region are pulled down by CISOs from lower paid sector.
- **U.S. Central** is a very close third in terms of total compensation. More than half of the CISOs in the U.S. Central region are in the high-paid financial services and healthcare sectors, which explains the strong compensation averages and the similarity to the U.S. Northeast region in terms of CISO compensation.

FIGURE 3

CISOs Located in the US West Region Earn More Than CISOs in the Other US Regions

All amounts are in US dollars and rounded to thousands



- **U.S. Southeast** CISOs average the lowest total compensation of the four regions in the U.S. A closer look reveals that a third of our sample CISOs in this region is in Texas—a state in which CISOs command pay similar to those of the U.S. West region. Other states in this region, like Alabama, Arkansas, Tennessee and South Carolina, pull down the average for the Southeast region.

- **Canada** lags behind U.S. regions, comp-wise. The average total compensation is about \$300,000 lower than the top compensated region in the U.S. Canadian CISOs who work in financial services are an exception in the Canadian region. While a small number in the sample, they report compensation figures much closer to their peers in the financial services sector who work in the U.S. Northeast region.

1 In this case, we converted CISOs' compensation reported in Canadian dollars into U.S. dollars against an exchange rate of U.S. dollar 1.00 to 1.25 Canadian dollar.

Location contributes to pay differences

This year, like most office workers, the vast majority of CISOs work from home (see FIGURE 4).

To gain an understanding of how location influences compensation, we asked CISOs to report the location where they work day to day. It follows that for the majority of respondents, this will be their home office.

Females who break through at the CISO level command a market premium

Filtering the compensation data by gender reveals female CISOs outearning their male peers by 5% for base compensation and 7% for total compensation (see FIGURE 5).

What explains that difference? Males still dominate the security function, as evident by our 88% males in our sample size: 338 males versus 45 female CISOs.

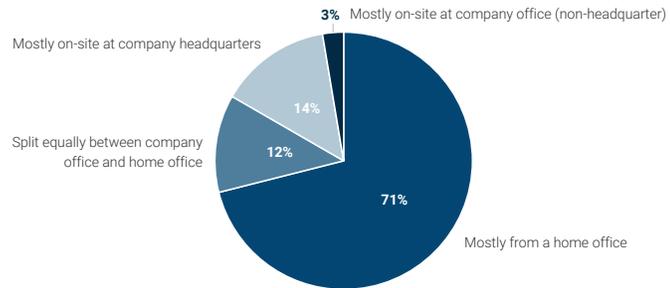
Mercedes Chatfield-Taylor, diversity and inclusion expert, sees this too:

This gender gap is not unique to CISOs, as there are fewer women across the entire tech leadership suite. The gap is most apparent in some of the most transformative tech functions including security, product and engineering. Female leaders who break through in these functions command a premium in compensation, as nearly every company requires diversity in their slate of candidates—CISO searches being no exception. This creates optionality and opportunity for female CISOs to increase their compensation by taking on new roles.

FIGURE 4

In 2021, Most CISOs Work From Home

What best describes your current work situation, even if different from "normal" due to COVID-19?

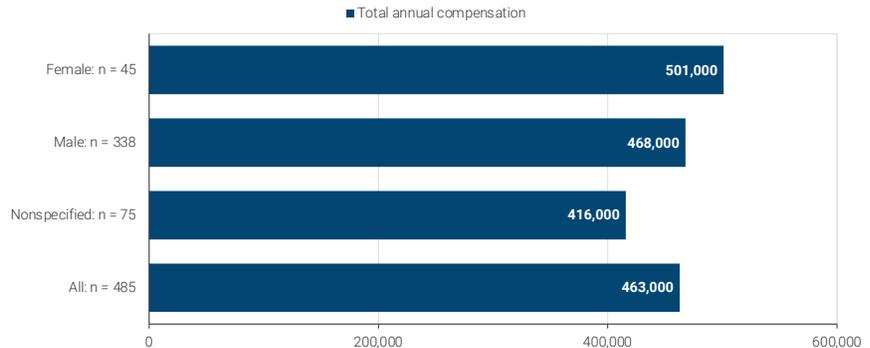


n = 458

FIGURE 5

Female CISOs Command a Market Premium

What is your current annual base salary, annual target bonus and equity (USD)?



n = 458



Find More Benchmark Study Insights

This is the first publication in a series of four reports that covers CISO compensation, security budgets, CISO job satisfaction and key security staff compensation.

Methodology

IANS Research and Artico Search fielded its second annual CISO Compensation and Budget survey in March 2021. Between March and August, we received survey respondents from 458 CISOs from a diverse set of companies by size, location and industry. A third of respondents are from companies with revenues less than \$1 billion; a quarter are from firms with revenues between \$1 billion and \$5 billion; and the remaining 31% with revenues of \$5 billion or more, including 14% from companies with more than \$25 billion in annual returns.

The majority of CISOs we surveyed have their primary workplace in the U.S., of which 43% are in the Northeast, 24% are in the Southeast, 21% work in the Central region and 12% in the West. Seven percent of respondents work in Canada. The remaining few respondents work outside North America. Respondents show further diversity by sector. Eight sectors make up 80% of respondents. They are financial services, tech, healthcare, manufacturing, business services, transportation, retail and government. The remaining 20% have a long tail of 20-plus industries.

About Us

Contact Details

Thank you for your interest in our annual CISO Compensation Benchmark Study.

To request a version of our full, 21-page study or to participate in our 2022 CISO Compensation Benchmark survey, please contact us at IANS@iansresearch.com.

Artico Search

articosearch.com

Founded in 2021, Artico Search's team of executive recruiters focuses on a "grow and protect" model, recruiting senior go-to-market and security executives in growth venture, private equity and public companies. Artico's dedicated security practice delivers CISOs and other senior-level information security professionals for a diverse set of clients.



IANS Research

iansresearch.com

For the security practitioner caught between rapidly evolving threats and demanding executives, IANS Research is a clear-headed resource for making decisions and articulating risk. We provide experience-based security insights for chief information security officers and their teams. The core of our value comes from the IANS Faculty, a network of seasoned practitioners. We support client decisions and executive communications with Ask-an-Expert inquiries, our peer community, deployment-focused reports, tools and templates, and consulting.

