

2023 CISO Compensation

Benchmark Summary Report

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This summary report provides high-level insights from our 2023 CISO Compensation Benchmark Study.

The complete 2023 CISO Compensation Benchmark Study report is a comprehensive, 17-page breakdown that offers a more detailed set of data and is available to IANS clients through the IANS Portal or to non-clients upon request by contacting us at info@iansresearch.com

Executive Summary

The CISO role was partially shielded from the macroeconomic challenges of 2023. The average increase in total compensation among CISOs was 11% in the latest comp cycle—a drop from 14% in 2022, but a relatively small dip in light of the economic climate. One in five CISOs didn't receive an increase in compensation.

IANS and Artico Search jointly fielded the fourth annual Compensation and Budget survey. Between April and August 2023, we received compensation data from more than 600 CISOs in the U.S. and Canada.¹

The sample has strong representation from firms in eight industries—finance, tech, healthcare, manufacturing, retail, consumer goods and services, business services, and legal—with varying ownership structures including privately owned, publicly listed firms and quasi-government entities. Their revenues range from less than \$100 million to more than \$150 billion.

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

CISO compensation is increasing, but is not immune to macro trends

Amidst economic uncertainty, rising inflation, increased cost of borrowing money and reduced valuations, security budget growth slowed in 2023. Funding for cyber talent also took a hit.²

Fewer companies initiated a CISO search, resulting in a tightened market for CISO talent. The cascading effects for CISOs include:

12% **changing employers**
vs. 21% last year

8% **receiving large pay bumps**
associated with movement
vs. 20% last year

8% **receiving a retention incentive**
vs. 24% last year

20% **not getting a raise**—double
last-year's figure

Many companies that invested in security heavily in 2021 and 2022 are scaling back in 2023.

— Steve Martano, Artico Search

The pay disparity between top and bottom earners grows

Fifty-two percent of CISOs have a total annual compensation of \$400,000 or less, while at the other end, 20% earn upward of \$700,000. The top 10% has a seven-figure total comp.

The gap between the bottom and the top quartiles grew further this year, with top earners seeing their average total compensation increase three times that of the bottom 25%.

Organizations that pay in the top 25% are typically publicly listed firms, are more likely to be in the finance or tech sectors, and boast annual revenues exceeding \$10 billion. Their security teams comprise more than 100 staff members and operate on budgets exceeding \$10 million.

Low-end and stagnant wages bring down CISO satisfaction

This comp gap in earning levels fuels discontent with those in lower pay bands. Also, unsurprisingly, CISOs in the lower-paid tiers are looking to change employers in the near term. However, they face a challenging labor market.

Until the market opens up with more opportunities, we recommend CISOs looking to make a change work on their marketability by strengthening their personal brand and elevating their skill set in business acumen and their executive presence to position themselves strongly with prospective employers.

- 1 The bulk of the survey responses came in during the April–August period. The survey remains available until the end of 2023, with new responses automatically added to IANS' Survey Visualization Tool, available for IANS clients.
- 2 For more details, read the [2023 Security Budget Benchmark Report](#).

CISO Compensation Dynamics Have Changed

The year 2022 was marked by a challenging global economy amidst a struggle to tame inflation, higher cost of borrowing money, and economic and political volatility overseas. While the overall cyber threat environment remains high, we do not see the same level of investments in cyber program growth in the most recent budget cycle that we saw in the two prior budget cycles.²

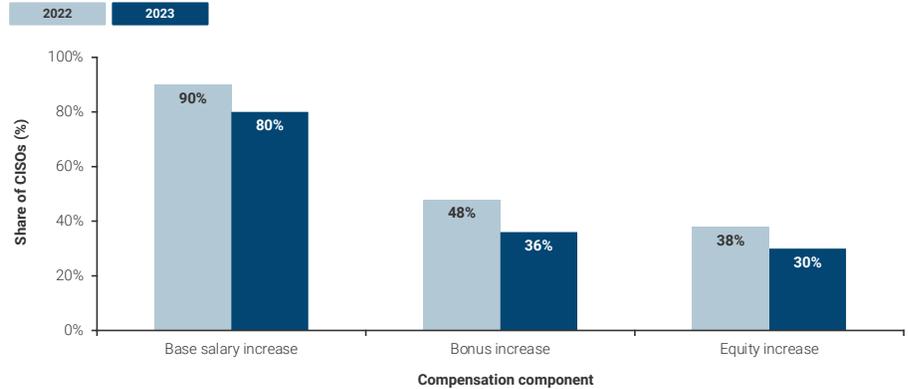
Merit increases were fewer and smaller

This year, 80% of CISOs received raises—a 10 percentage point decline from last year’s figure of 90%. The share of CISOs with bigger bonuses and equity packages also declined year-over-year (YOY), by 12 and 8 percentage points, respectively (see FIGURE 1).

FIGURE 1

Fewer CISOs Received Comp Increases This Year

Share of CISOs with increasing base salary, bonus and equity, YOY



The average base salary increase was 7% in 2023—down from 10% in the previous year. Bonus and equity increases also faced downward pressure. As a result, total comp increases dropped YOY also.

When focusing just on merit increases, the decline between 2023 and 2022 cycles are remarkably similar. The average merit increase to the base salary was 6% in the most recent comp cycle and 7% the prior year.

² For more details, read the [2023 Security Budget Benchmark Report](#).

Growing Gaps Between the Top and Bottom Earners

This year, for CISOs working in the U.S., the average total compensation—defined as base salary plus annual target bonus and the annual equity value—is \$550,000 with a median of \$388,000.

This means that for half of the CISOs in the sample, the total annual compensation is \$388,000 or less, while the other half earns more.

FIGURE 2 illustrates this, showing both the asymmetrical distribution curve for CISOs’ total compensation, as well as small comp ranges in the first quartile (i.e., the bottom 25%) and second quartile groups compared with those in the third quartile and fourth quartile (i.e., the top 25%).

The majority earns below \$400K or above \$700K, with a minority in the middle

The total compensation data shows 30% of the sample has total earnings below \$300,000, followed by 22% who earn between \$300,000 and \$400,000, annually.

In the so-called middle-comp ranges, the bars are much shorter: just 6% earn between \$500,000 and \$600,000, and only 8% earn between \$600,000 and \$700,000.

At the other end, 20% of CISOs have a total annual comp that exceeds \$700,000 (see FIGURE 3).

FIGURE 2

U.S. CISO Total Annual Compensation

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

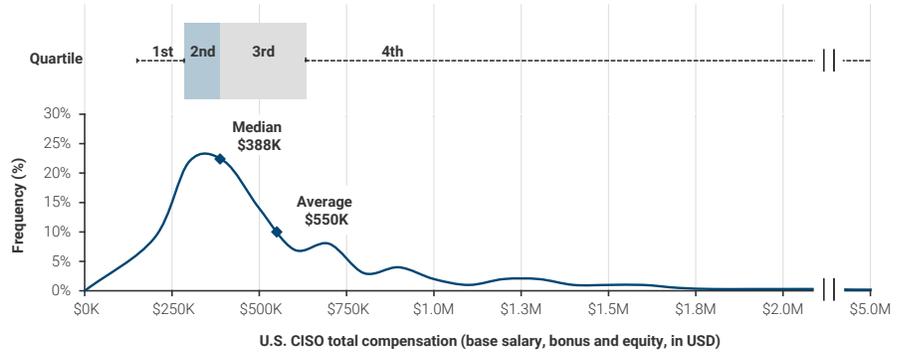
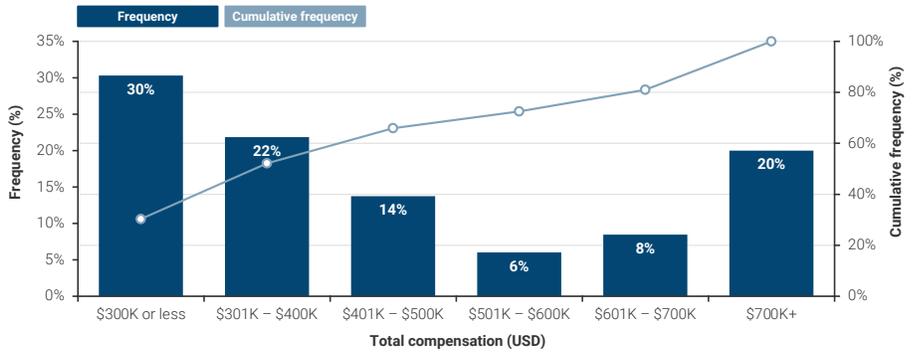


FIGURE 3

U.S. CISO Total Comp Histogram Reveals A Gap in the Middle

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



Top vs. Bottom Earnings Comparison

Finance and tech firms have the highest CISO comp

The past three years, finance and tech firms were consistently in the top three for CISO total compensation. This year is no different. Finance CISOs have a total average comp of \$728,000—of which, \$548,000 (75%) is cash compensation (see FIGURE 4).

Tech CISO total comp is not far behind at \$678,000, but cash comp comprises just 58% of total comp and nearly \$300,000 comes from annual equity.

Business services and retail CISOs have above-average cash comp plus equity.

CISOs in legal, healthcare and manufacturing have total comp that is well below the overall average. Their cash comp ranges from \$327,000 to \$378,000, plus relatively small equity value.

CISOs working in the U.S. West and Northeast lead in CISO compensation

Regional pay differences stem from variations in cost of living, talent market dynamics and the concentration of high-paying companies in the tech and finance sectors.

Of the four U.S. regions, West-based CISOs have the highest total compensation, averaging \$628,000. However, cash-based comp in the West is below that of CISOs working in the Northeast region and on par with that of Central-based CISOs (see FIGURE 5).

FIGURE 4

Finance and Tech Firms Pay Well Above-Average

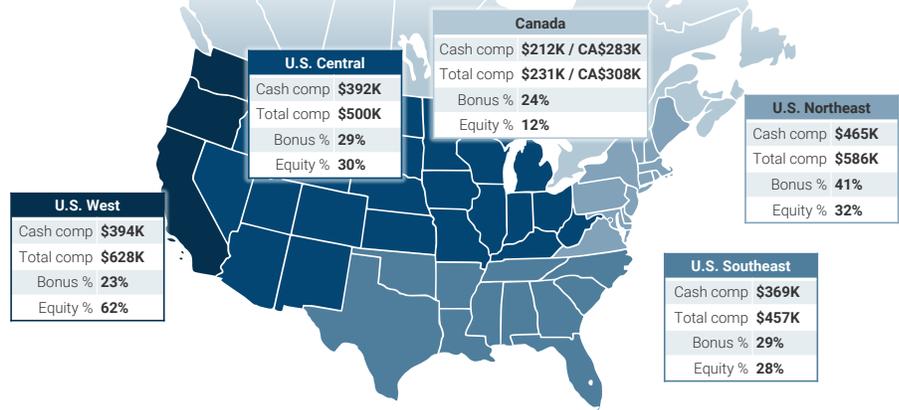
Calculated annual cash compensation (base salary and target bonus) and annual total compensation (base salary, target bonus and equity) in USD



FIGURE 5

CISO Compensation Differences Across Regions

All amounts based on the CISO's primary location of work; values are in USD or CA\$ and rounded to thousands



Note: We converted the Canadian pay value into U.S. dollars using the average exchange rate for the April–August 2023 period.

CISOs in the Northeast region have the highest bonuses, contributing to the highest cash-based comp in the nation. Southeast-based CISOs are roughly 17% behind the national average in total compensation.

In addition to cost of living and talent competition differences, Canada has a different healthcare and benefits system than the U.S. As a result, its pay bands are lower than in the U.S., in general, including for CISOs.

Higher organizational levels and larger span of control drive up comp

One in five CISOs is a C-level executive at their organization, on par with functions like the CIO or chief financial officer. They typically report to the CEO, general manager or chief operating officer.

Another 17% are at the executive vice president (EVP) or SVP levels, 35% are at the VP level and 22% are director level (see FIGURE 6).

Compensation follows title level with a cash pay jump between director and VP of more than \$100,000, as well as a sizable equity stake.

The difference in annual cash comp between VP to SVP is also more than \$100,000, with a small bump in equity.

Are CISOs Satisfied With Their Compensation?

Most CISOs continue to look for new opportunities

The share of respondents who are considering a job change (including those who answered “maybe”) within the next 12 months ticked up 8 percentage points from 67% in 2022 to 75% in 2023 (see FIGURE 7).

Matt Comyns’ sees this as well:

Most CISOs are looking for another opportunity, yet most are staying put at their current jobs because they’re simply not seeing the interesting opportunities that were available a year or two ago.

FIGURE 6

CISO Comp at SVP-Level or Higher Is More Than Double Director-Level Pay

Calculated annual cash compensation (base salary and target bonus) and annual total compensation (base salary, target bonus and equity) in USD

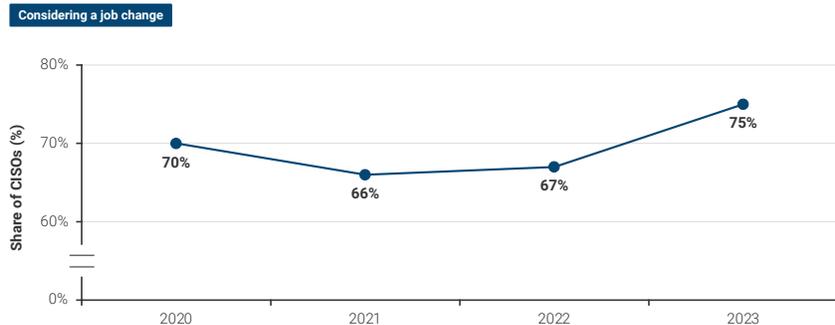


*This compensation gap is largely due to the company size of respondents in these roles. More than half of C-level respondents were at companies with up to \$400M in revenue. The EVP designation is more prominent at organizations with revenues in the \$400M–\$4B range.

FIGURE 7

75% of CISOs Are Considering a Job Change; Up 8 Points From Last Year

Share of CISOs who are considering a job change in the next 12 months (%)



The flip side is that, while in 2022 a third of respondents said they are definitely not looking, this year, only a fourth of respondents ruled out a change of employers.

Compensation is not the only driving factor, because across each of the quartiles, the share of CISOs looking to make a change is more than 40%. For highly paid CISOs, reasons for a change vary from lack of opportunities for advancement and an unsustainable work-life balance.

Methodology

IANS and Artico Search fielded the fourth annual CISO Compensation and Budget survey in April 2023. From April until August, we received survey responses from more than 600 security executives in the U.S. and Canada from companies that varied by size, location and industry.

Key steps in the research process are:

Survey design

We improve our surveys on an ongoing basis by incorporating feedback from respondents and adding topics based on client demand.

Respondent recruitment

We recruit from last year’s already-vetted respondents. We grew the sample by recruiting from diverse CISO audiences.

Data hygiene

The survey design and data collection process include precautions to prevent fake responses and survey response errors. For example, respondents can skip questions if they don’t have access to the requested information.

Analysis

A five-member team runs the analysis, builds the storyline and writes the report. This is a multidisciplinary team with combined expertise in data science, cybersecurity, CISOs’ key imperatives, and cyber executive talent and recruitment.

Objectivity

This research is neither influenced by nor paid for by third parties. We report on the data objectively and free from personal bias and opinions. Clarifying insights are drawn from Artico’s cyber practice and clearly marked as quotes.

Sample breakdown

Of the sample of 609 CISOs, 566 work in the U.S. and 43 work in Canada.

The three largest industries in terms of representation among CISOs in the U.S. and in Canada in the sample are finance (27%), healthcare (21%) and tech (17%).

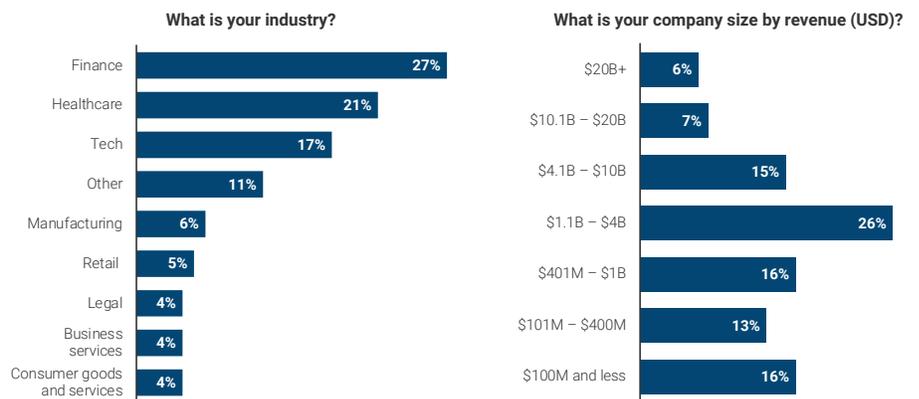
Nearly half (46%) of respondents work at companies with less than \$1 billion in annual revenues, 41% work at firms with \$1 billion to \$10 billion in annual revenue and 13% represent companies with more than \$10 billion in annual revenue (see FIGURE 8).

Respondents provided their compensation metrics, including base compensation, target bonus percentage and equity percentage. These three metrics allowed us to compute the annual cash compensation (base salary plus bonus) and total annual compensation (cash compensation plus equity) for each respondent. We then calculated the averages across the relevant sample.

Respondents also provided the change to four key compensation components—base salary, target bonus, annual equity and total compensation—in their most recent comp cycle. For most CISOs, this cycle falls in the first quarter of the 2023 calendar year. In some cases, the most recent comp change could have occurred in the second half of 2022. In all cases, we refer to them as 2023 compensation changes.

FIGURE 8

Breakdown of the Survey Respondents by Company Type



The "Other" category includes mainly education, transportation, government and utilities

About Us

This publication is created in partnership between IANS and Artico Search.

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.



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