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Are we aging, as an industry group? What are our expectations for future pay increases? What extra benefits are "part of the job"? What are we being paid?

These and other questions were part of the Annual Salary/Benefits Survey for Calendar Year 1999, which was included in the fall 2000 issue of the *Journal of Agricultural Lending* and also distributed at the Canadian Bankers Association/American Bankers Association North American Agricultural Finance Confer-

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Ag Lender Salary/Benefits Survey: How Do You Stack Up?

by:

*ABA Staff with assistance from
Cambridge Research Inc.*



ence held in October. A total of 58 responses were received.

The purpose of the survey was to ascertain what the compensation and benefits standards are for the agricultural lending industry. For the purpose of analysis, "upper management" is defined as President, Executive Vice President, Senior Vice President and Director. "Middle management" constitutes those with the title of Vice President or Chief Loan Officer.

Institution Type

- Fifty percent of respondents are employed by independent banks with fewer than 10 branches, while 39 percent worked at multi-state, regional or independent banks with 10 or more branches. The Farm Credit System, insurance and supplier-based finance companies also were represented (11 percent).

- Sixty percent of the top management professionals and 40 percent of middle management professionals surveyed work for a small (fewer than 10 branches) independent bank.

- The majority (50 percent) of the institutions represented in the survey have assets between \$50 million and \$250 million. Thirty-

seven percent of the survey respondents indicated that they work for institution with greater than \$500 million in assets.

- Respondent institutions have an average of \$224 million in total agricultural loans outstanding, with an average of 237 customers. The median size of agricultural loan portfolios is \$30 million, with 80 customers. The average size of an agricultural loan portfolio managed by top managers is \$43 million, serving 467 customers; and \$25 million, serving 121 customers, for middle managers.

- Ninety-one percent of all individuals surveyed indicated that their institution has a Web site and 66 percent of respondents have Internet access at work. Only 6 percent reported having home Internet access provided by their institution.

Experience/Age/Education

- The majority (58 percent) of respondents have been at their current institution for less than 10 years, 29 percent for 10-20 years and 12 percent have been with their current employer for more than 20 years.

- The average tenure as a lender has been 18 years. More than half (53 percent) of those in top management have been in the lending field for 10-20 years, with 16 of those years as an agricultural lender. Thirty-six percent of middle managers have been in lending for 10-20 years, with averages of 20 and 19 years' experience in lending and agricultural lending, respectively.

- The majority of respondents (53 percent) are between 41 and 50

years old. Twenty-seven percent are below the age of 40 and 20 percent over the age of 50.

- Fifty-two percent of all participants have a bachelor's degree, 30 percent have gone on to complete some (10 percent) or all (20 percent) of a post-graduate program. Sixty percent of the top managers have obtained a bachelor's degree, while 20 percent have completed some or all of a post-graduate degree program.

Compensation/Benefits

- The average salary of top-level professionals ranges from \$27,000 at a small independent bank to \$130,000 at a large insurance company. The average salary for the upper management group is \$67,285, including a bonus in 1999 averaging \$5,532. Middle management respondents indicated salary levels between \$41,000 and \$100,000, averaging \$69,809 in total salary, and including an average bonus of \$7,535. (See Note, Page 6.)

- The average salary increase expected by all respondents is 4.11 percent. Upper managers expect an average raise of 4.20 percent, and middle managers expect a 4.17 percent salary increase.

- All respondents receive paid vacation, and the vast majority receive health and life insurance (94 and 95 percent respectively) and a 401K or other savings plan (90 percent). Also, 69 percent of survey respondents have dental insurance provided by their employer.

- As for pension and/or savings plans, other than a 401K, 50 percent have a plan paid by their company, 30 percent have a plan to which they

(Note: A larger number of the respondents in the 'upper' management category are employed by smaller banks with up to \$250 million in assets while the majority of the "middle" management category are from larger, regional banks with assets between \$250 million and \$1 billion.)

contribute and 36 percent have stock options or discounted shares in the institution. Other benefits include subsidized lunches and ESOP.

- Seventy-two percent of respondents receive paid attendance at professional meetings, and 55 percent receive tuition assistance from their institutions.

- Forty-seven percent of survey participants indicated that their organization provides them with a cell phone and 12 percent of all respondents have a company car.

- Forty-eight percent of the people who responded to the survey indicated that they have casual dress once a week, 19 percent are casual all week and 33 percent of respondents have no casual option.



Benefits Provided by Employers

Paid vacation	100%
Dental insurance	69
401K or other savings plan	90
Cost share for education	55
Cell phone	47
Flexible work schedule	26
Computer at home	19
Health insurance	97
Life insurance	95
Child care allowance/company provided service	3
Paid attendance at professional meetings	72
Automobile	12
Paid allowance for home office	0
Internet access at work	65
Internet access at home	10
Paid subscription to Journal of Agricultural Lending	86
Business casual attire	
Weekly	19
One day a week	48
Not allowed	33
Defined benefit pension paid by company	50
Defined benefit pension to which you contribute	9
Stock options or other discounts in the institution	36

• Eighty-six percent reported that their employer provides a paid subscription to the *Journal of Agricultural Lending*.

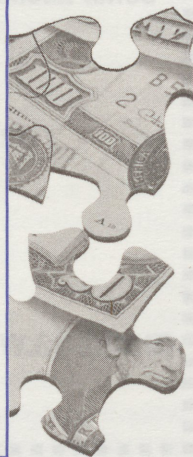
It should be noted that the majority of respondents in the "upper management" category represented

independent banks with fewer than 10 branches, and between \$0 and \$250 million in assets. The majority of the middle management respondents came from regional or multi-state banks with assets between \$250 million to more than \$1 billion.

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Top 9 States by Total Income

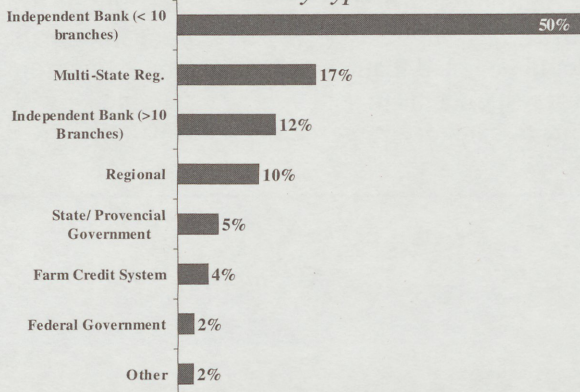
	WI	TX	MI	IN	SD	MN	IA	FL	IL
Avg. Total Salary \$	86,900	84,100	75,500	71,300	66,200	65,900	64,400	60,500	54,200
Avg. Base \$	80,700	71,600	64,300	60,300	62,400	57,500	57,700	56,000	49,800
Salary									
Avg. Bonus/Commission \$	6,200	12,500	11,200	11,000	3,800	8,400	6,700	4,500	4,400
Size of Ag Portfolio/ # of Customers	62	33	34	98	91	83	135	58	71
Outstanding Loans/ Commitments (\$ millions)	23.2	10.0	12.5	41.8	15.7	9.5	43.2	7.5	13.4



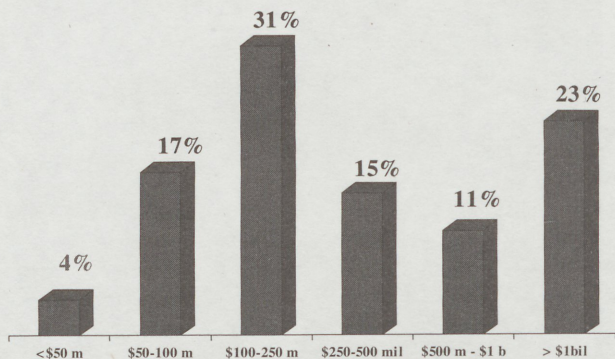
More data
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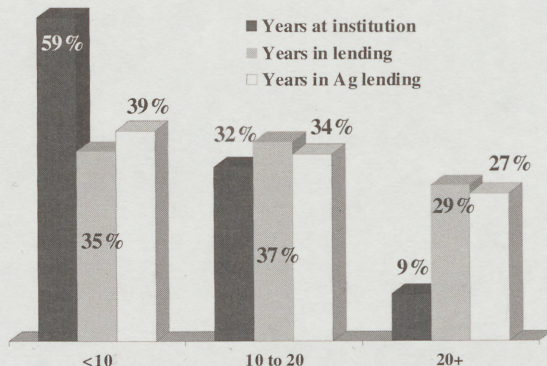
Institutions Represented
by type



Institutions Represented
by asset size



Average Experience Level of all Respondents



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