

ISM®'s 2023 Salary Survey

Painting the Picture on Pay

By Sue Doerfler

Supply management professionals experienced compensation increases, with a continuing gender gap — and companies acknowledged that the coronavirus pandemic is over.

Most supply management professionals believe the coronavirus pandemic to be over, but other disruptive dynamics are continuing to impact their jobs, lives, organizations, companies and supply chains.

During 2022, they dealt with such issues as inflationary pressures, the Russia-Ukraine war and its impact on grain shipments and electronics components, as well as extreme weather conditions and climate change, which threaten supply, transportation and logistics. They experienced changing company environmental, social and governance (ESG) objectives as well as workplace and labor issues, including shortages, layoffs and return-to-office mandates.



Supply management practitioners are continuing to play critical roles in the management and mitigation of risk and drive toward resiliency, innovation and value-add. Yet, overall average salaries stayed roughly the same in 2022, dipping ever so slightly — one-tenth of 1 percent — from 2021. However, taking gender into account, over the past five years, salaries for men and women have both generally increased.

Those dynamics were reflected in the underlying data of Institute for Supply Management's (ISM®) *Eighth Annual Salary Survey*, which also revealed that most respondents received bonuses for 2022 work and that, not surprisingly, job satisfaction and work/life balance — in addition to wages — are

of top importance when seeking new job opportunities.

"In the throes of the pandemic, companies rewarded supply management professionals with salary increases and bonuses to ensure they had the talent necessary to overcome the many supply challenges," ISM CEO Thomas W. Derry says. "Now that the crisis is largely behind us, compensation appears to be levelling off."

He continues: "That said, I am curious about what the future holds, as the supply management agenda becomes both more strategic and broadens in scope. Supply management is taking the lead in highly visible ESG initiatives, building resilience and leading a long-term pivot to more regionally based supply systems. I expect competition

for top talent to manage these critical initiatives will lead to a future round of increasing compensation."

Where Average Salaries Stand

In 2022, the average overall compensation in the supply management profession declined slightly for the second consecutive year — following seven straight years of increases — to US\$123,523. That's a \$98 drop from the 2021 figure and \$498 lower than the average salary recorded in 2020.

Analyzing 2022 salaries by gender paints a different — and more uplifting — picture. Among those reporting by gender, pay rose an average of 5.8 percent for men and an average of 5.2 percent for women, for an average total increase of 5.6 percent — showing that practitioners got good raises. More on gender pay differences later.

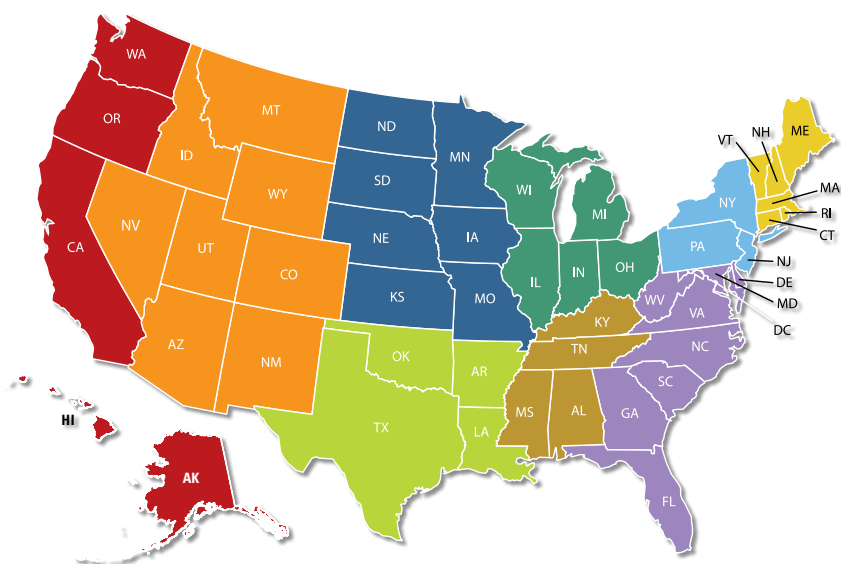
Who earned more?

It's conventional wisdom that professionals in higher-level positions make more, and 2023 *Salary Survey* findings held true: Salaries for vice president roles and above averaged \$182,547, while directors earned an average of \$162,955. Those in manager roles averaged \$112,272, a decrease from 2021, while experienced practitioners averaged \$96,916, an increase. Emerging practitioners averaged \$81,561, a double-digit increase over 2021.

One would also expect that older workers have larger salaries; after all, they've spent more time in the workforce. According to the survey, people ages 65 to 74 made an average of \$151,136, while those 55 to 64 earned an average of \$139,424. Younger workers earned less; for example, those 25 to 34 averaged \$92,820. In the future, there may be additional salary implications for older workers: According to the U.S. Bureau of Labor Statistics, about 30 percent of those 65 to 74 are projected to still be working in 2026.

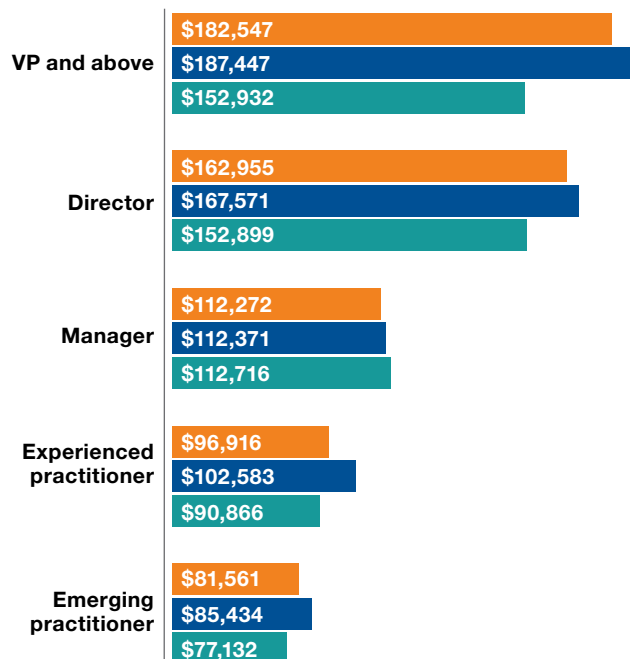
Time in the workforce plays a role in average income, with those with more experience typically earning more. Professionals with 40 or more years of experience led with \$169,802 in average 2022 income, while those with 30 to 34 years of service averaged \$168,482. There was a blip in salaries

Average Salary by Geographic Region

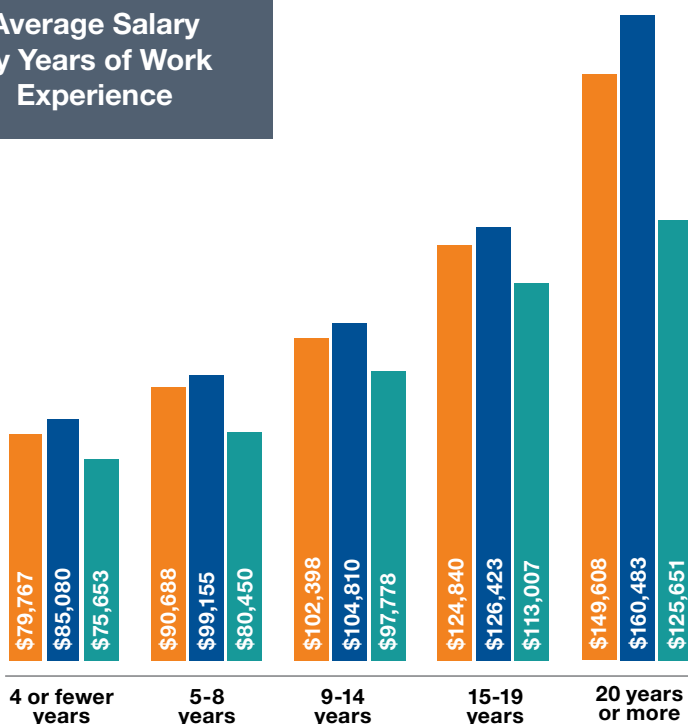


- East North Central (IL, IN, MI, OH, WI) **\$129,062**
- East South Central (AL, KY, MS, TN) **\$114,263**
- Middle Atlantic (NJ, NY, PA) **\$132,905**
- Mountain (AZ, CO, ID, MT, NM, NV, UT, WY) **\$120,187**
- New England (CT, MA, ME, NH, RI, VT) **\$147,850**
- Pacific (AK, CA, HI, OR, WA) **\$114,263**
- South Atlantic (DC, DE, FL, GA, MD, NC, SC, VA, WV) **\$151,020**
- West North Central (IA, KS, MN, MO, ND, NE, SD) **\$131,320**
- West South Central (AR, LA, OK, TX) **\$139,103**

Average Salary by Position



Average Salary by Years of Work Experience



Key to Charts



NOTE: Caution should be taken when examining the various breakdowns, as response rates vary and may make the information less reliable.

for professionals who had worked 35 to 39 years; they averaged \$157,088, still the third highest average. New and emerging professionals earned less: Those with eight or fewer years of experience averaged \$86,762; those with 9-14 years in the profession earned \$102,398 on average.

The Gender Pay Gap

The gender pay gap continues as a long-term demographic trend in 2023 *Salary Survey* data. Yet, when analyzing role salaries by gender, the recent data recorded an exception: At the manager level, men and women earned about the same, with women making slightly more (\$112,716, compared to \$112,371 for men). Men, however, earned more at vice president and above (\$187,447 to \$152,932) — a more than \$30,000 difference — as well as at the director (\$167,571 to \$152,899) and practitioner levels.

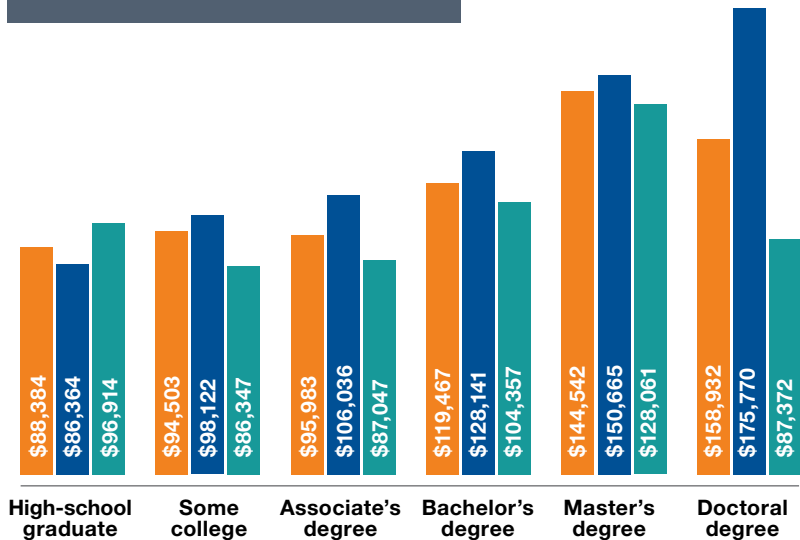
Overall, the gap in average compensation between male (\$134,099) and female (\$107,583) supply management professionals was 24.6 percent in 2022, up 1.4 percentage points from 2021's 23.2 percent, but in line with the 24-percent difference in 2020. The gap was 22.6 percent in 2019.

What accounts for the difference between the overall compensation average and gender-based averages? It could be the difference in number of total respondents versus those who reported their gender; of the survey's 834 usable responses, 764 respondents included gender.

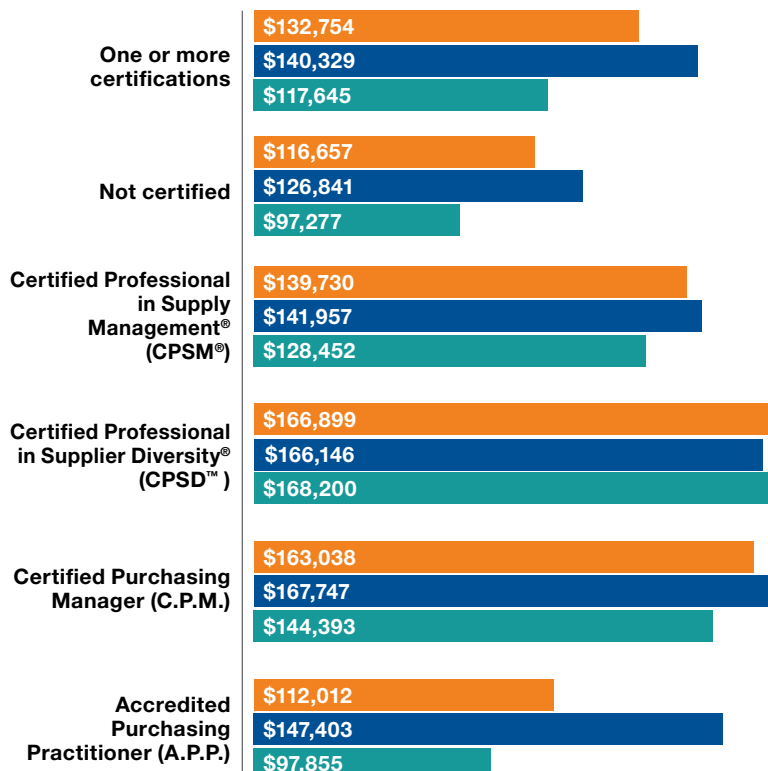
Another reason: longevity. "If you've been at your job for more than three years, you're likely below market for compensation," says Naseem Malik, CPISM, managing partner at MRA Global Sourcing, a Chicago-based executive search firm specializing in supply management. "That baseline is where the gender pay disparity is more prominent."

Moving to a new job within three to five years creates greater parity because the

Average Salary by Highest Level of Education Completed



Average Salary by Certification Status



NOTE: C.P.M. and A.P.P. designations are no longer granted.

baseline is now more in line with market compensation, he says. “We don’t see, anecdotally, that when a company makes an offer to a female candidate, they lower the compensation,” he says.

Newer laws regarding disclosure and transparency mean candidates don’t have to disclose previous salaries. “That’s helping the candidates because companies don’t know that a female candidate made less than the male candidate; they just know their budget and what the market rate is,” Malik says.

More Findings

Let’s not overlook extras like bonuses and benefits, which workers consider valuable additions to their total compensation package. Respondents were asked to rank factors they consider desirable when looking for jobs, with the top four being (1) wages, (2) job satisfaction, (3) work/life balance and (4) health-care benefits package. Bonuses ranked fifth, with pension, 401(k) or other retirement plan closely behind.

In 2022, non-COVID-19 retention bonuses were common, with 88 percent reporting a bonus of at least 1 percent and 28 percent receiving more than 10 percent. The average bonus in 2022 (\$22,469) was 3 percent less than the 2021 average of \$23,119.

As in years’ past, professional certifications and department-led on-the-job training are considered the most effective in transferring skills. ISM’s Certified Professional in Supply Management® CPSM® and Certified Purchasing Manager (C.P.M.) are among the most common certifications.

The Pandemic Is Over

Three-quarters (76 percent) of *Salary Survey* respondents said their companies have no COVID-19 restrictions in place, indicating that for them, the pandemic is over.

This finding is more optimistic than or similar to other polls: The Axios-Ipsos American Health Index survey from February, for example, found that 62 percent of the public say the pandemic has passed. And the federal COVID-19 public health emergency ended in May, as did the World Health Organization’s global health emergency declaration.

The pandemic may be over when it

comes to wages and raises, too. Malik says organizations are returning to “normal” after an era of double-digit raises — common during the pandemic as companies sought to retain workers amid the Great Resignation — or bringing in workers from outside at much higher salaries than those of current employees.

“It’s leveling out now,” he says. “Some of it has been the pressure of the overall economy: wondering what’s happening being in limbo as to whether there will be a recession or no recession. The technology sector is leading the way with layoffs, and the dynamic is being felt in other companies as well.”

However, Malik says, demand for supply chain talent will likely continue, especially as (1) technology continues to advance, requiring certain skill sets, and (2) companies look to nearshore and reshore supply chains and need employees who know how to source in Mexico, Vietnam or Europe. This, he says, may bring back talent scarcity again — which will impact compensation. **ISM**

See the Full Report to Learn More

This article highlights findings from ISM’s comprehensive *Eighteenth Annual Salary Survey*. For the full report, visit ismworld.org. ISM members can download the full report at no charge.

Average Salary by Industry

Accommodation & Food Services (hotels, food and drinking places)	\$129,834
Agriculture, Forestry, Fishing & Hunting	\$89,250
Arts, Entertainment & Recreation (performing arts, museums, amusement industries)	\$124,592
Construction	\$98,684
Educational Services	\$106,691
Finance & Insurance	\$161,623
Health Care & Social Assistance	\$172,601
Information (publishing, entertainment)	\$189,466
Management of Companies & Support Services	\$143,144
Manufacturing	\$120,436
Mining	\$137,063
Other Services	\$118,444
Professional, Scientific & Technical Services	\$135,955
Public Administration	\$107,924
Real Estate, Rental & Leasing	\$134,849
Retail Trade	\$120,679
Transportation & Warehousing	\$93,440
Utilities	\$136,687
Wholesale Trade	\$106,674

NOTE: The above table highlights 19 of the North American Industry Classification System (NAICS) broad sectors; for more information regarding the 36 industries reported, see the full *Salary Survey*.

How the Survey Was Conducted

For the 18th consecutive year, Institute for Supply Management® (ISM®) collected salary and job information from supply management professionals at all levels. The *Eighteenth Annual Salary Survey* was administered January 5 through February 22, and 834 usable responses were received. The dataset includes both domestic (84 percent) and international (16 percent) respondents.

A random sample of ISM customers (including members and nonmembers) was pulled from ISM’s database. Once again, a substantial proportion of non-ISM affiliated practitioners were included in the data set. An email invitation and five reminders were sent during the survey cycle. To encourage participation, individuals were offered an opportunity to win a US\$50 gift card (20 available).

Respondents were asked to report compensation information for the 2022 calendar year. Compensation included (reported separately) wages, bonuses and long-term incentives received before taxes and deductions.

For the 11th time, respondents were asked if they were employed for the full year. A total of 37 respondents (4 percent) indicated they were unemployed for some of the previous calendar year, compared to 9 percent in last year’s *Salary Survey*.