

2003 Privacy Professional Salary Survey Report

I. Executive Summary

The International Association of Privacy Professionals (IAPP) and Ponemon Institute are pleased to present the results of the first study of compensation levels among privacy professionals in the United States and abroad. We believe the results from the *2003 Privacy Professional Salary Report* will provide the profession with a meaningful baseline for measuring and monitoring trends in compensation levels and responsibilities as the privacy profession continues to grow and evolve.

The role of the privacy professional is becoming increasingly important for several reasons. These include organizations' need to comply with new privacy legislation and regulations, the affect of technology on the collection, storage and handling of personal information and consumers' increased expectations that organizations will take the necessary steps to safeguard their privacy.

As a result of these complex and challenging issues, the privacy profession is attracting a learned group of individuals dedicated to managing privacy and data protection risks in their respective organizations. These professionals bring a wealth of background experience, expertise and industry knowledge. They also serve in a wide array of organizations with diverse privacy and security issues. These include financial service companies, health care providers, government organizations, not-for-profit groups, technology companies and many other organizations.

The following report provides a comprehensive discussion of the survey's methodology and findings. We begin here with a summary of the most significant and salient findings.

- Salary levels vary based on industry classification. The largest group of participants (about 56%) self-reported that they work in health care. According to the study,

privacy professionals in health care companies earn 10% to 15% less in total compensation than privacy professionals in other industry groups (such as financial services, manufacturing, telecommunications, transportation or retailing). The lower compensation level for these professionals seems related to the size of the organization and not to the importance of their position within the organization.

- Salary levels vary based on the organization's size. Using worldwide headcount as a surrogate for organization size, the results suggest that pay for privacy professionals in large organizations is higher than in smaller companies. However, the average salary level of respondents from very small organizations is similar to that of larger companies. In the study, there is a connection between organization size and industry classification. Specifically, health care companies in the study most likely fall in the smaller company range. As noted above, survey respondents in health care earn 10% to 15% less than other respondents.
- Subjects who spend less than half their time on privacy as part of their current role earn higher compensation than those who are fully dedicated. This finding suggests that many senior level individuals in the privacy community do more than managing privacy. Rather, the management of privacy and data protection is only part of a larger role for them.
- On average, subjects with the most experience in their privacy role earn lower compensation than those with less experience. As expected, salary and experience are positively correlated, but only to a point. Then, salary becomes inversely related for subjects with very high privacy-domain experience. This finding can be interpreted two ways. First, it may suggest that people who want to attain higher compensation need to move beyond the privacy competency at some point in their career. Alternatively, because the practice of privacy in many organizations is relatively new, those with the most experience have not as yet reaped the full compensation benefits commensurate with their expertise or value to the company.
- Perceptions of fairness or unfairness about compensation are consistent with reality. Subjects who perceive their salaries are below expectations (about 25% of the

sample) tend to earn substantially lower compensation than those who view their compensation as being at or above expectations.

- Salary levels are high, but vary considerably across the sample. Overall results suggest that compensation for privacy professionals is relatively high (grand mean at \$101,146) relative to other comparable professional or business groups. However, high variation among individual salary levels suggests that the privacy community is not homogeneous in terms of prescribed role and job structure. It also reflects the possibility that – by virtue of being a new area for professional practice – there has not been enough time to create reasonable compensation standards for privacy practitioners within many organizations.

II. Introduction

This report provides the results of an empirical study on the compensation levels of privacy professionals. The present study was conducted by the IAPP and Ponemon Institute – a “think tank” dedicated to the study of responsible information management practices within business and government.

The role of the privacy professional in many organizations is a relatively new one. As a consequence, there is a lack of information about the nature and structure of the privacy professional’s job function, role and compensation level within corporations and governmental entities. This study seeks to shed light on the compensation issue by attempting to answer four basic questions:

1. What is the compensation level of privacy professionals (starting with an analysis of members within the IAPP)?
2. How does compensation vary for individuals with different job titles (at different organizational levels)?
3. Do compensation levels vary by other key factors such as industry, organization size and experience?
4. Do privacy professionals view their current compensation as fair, and are these perceptions consistent with organizational pay practices?

Because this is the first compensation study for the privacy community, we anticipate that there will be many open issues and potential areas for future improvement to the basic research design. We welcome your suggestions and constructive input before implementing next year’s 2004 Salary Survey to be conducted by the IAPP and Ponemon Institute.

Caveats on the Survey’s Findings

There are inherent limitations to survey research that need to be carefully considered before drawing conclusions from sample findings. The following items are specific limitations that are germane to the present study. If you have any questions about the

study, or about how specific results should be interpreted, please do not hesitate to contact Ponemon Institute (address and e-mail information provided at the end of the final section).

Non-Response Bias. The current findings are based on a sample of survey returns. In total, 1029 surveys were mailed by IAPP to its membership (based on an “opted-in” mailing list) with 207 returned responses (or 20.1 %). While tests of late responses were performed to assess non-response bias, it is always possible that individuals who did not participate are substantially different in terms of compensation and other job-related functions from those who completed the instrument.

Sampling-Frame Bias. Because our sampling frame is the IAPP membership mailing list, the quality of results is influenced by the accuracy of member contact information and the degree to which the list is representative of the population of privacy professionals being studied. It is our belief that the IAPP list was reasonably accurate at the time of mailing the survey. Even though IAPP is the largest association dedicated to privacy, we acknowledge that the results may be biased in two important areas:

- Health care is the largest industry group within the IAPP today (perhaps because of new requirements under HIPAA). Hence, while other industry concentrations are represented, the IAPP membership list is skewed toward health care organizations.
- The IAPP is primarily a North American-based organization. While European and Asia-Pac members exist within the association today, results of this study should not be generalized to other parts of the world.

Extrapolated Salary. Since salary information is very sensitive, the current instrument allowed individuals to use a categorical response variable (salary range) rather than a signal point measure (salary amount) to disclose current compensation. Our analyses relied on both measures. In some cases, the mid-point to the categorical response variable was used as a surrogate measure for salary. There was no indication that this procedure created bias or error; however, the extrapolation of salary amount from a range needs to be considered as a potential limitation when interpreting results.

Unmeasured Demographics. To keep the survey concise and focused, we decided to omit other normatively important variables from our analyses such as gender, education

and geographic region. The extent to which omitted variables might explain salary cannot be estimated at this time.

Self-Reported Results. The quality of survey research is based on the integrity of confidential responses received from subjects. While certain checks and balances can be incorporated into the survey process, there is always the possibility that a subject did not provide a truthful response.

III. Survey Methods

The salary survey was developed with the goal of collecting information from privacy practitioners in a convenient fashion. The researchers wanted to limit the number of survey items to one (two-sided) page length. It was believed that a concise survey would result in a higher response rate and better quality of results. The researchers also decided to use a paper survey, rather than electronic (Web) survey, to provide additional safeguards over privacy and confidentiality issues.

To keep the survey form to one page, survey items were carefully limited to only those factors that were deemed to be crucial to the research objective. Hence, items focused on salary level, bonus compensation and perception of compensation fairness. Other descriptive items were selected to explore key relationships between compensation and various job-related or organizational variables.

A first full draft of the survey instrument was developed by Ponemon Institute in late December 2002. The draft instrument was reviewed by several leaders in the privacy community to provide suggestions for improvement. The second draft instrument was shortened for clarity and finalized in early January 2003 with the approval of the IAPP. Exhibit 1 provides a full copy of the salary survey used in this study.

In total, the survey contained 15 items. Only one item used free text, requiring subjects to provide the title of their current position. A fixed-format design was used for the remaining 14 items. Because salary information is highly confidential, the current survey gave subjects a choice in how they wished to express their compensation level. In total, 94 subjects (45%) provided precise salary amounts and 113 subjects (55%) provided their response using the categorical range.¹ The following is the exact format used to collect salary information in the study:

A. Your current salary, base pay expressed in U.S. dollars is \$_____

¹ The mid-point of each category was used as a surrogate for a subject's compensation level when actual salary was not provided.

B. Your current salary is defined within the following range (check only one):

Less than \$30,000	_____
Between \$30,000 to \$60,000	_____
Between \$60,001 to \$100,000	_____
Between \$100,001 to \$150,000	_____
Between \$150,001 to \$200,000	_____
Over \$200,000	_____

For simplicity, most items required one check mark next to the appropriate response. While the aim of the survey was to collect descriptive information about compensation and other related variables, only one item required subjects to express their opinion about the fairness of their compensation relative to others. The following is the normative question included as the last item in the current study:

My compensation is:

Above others with similar experience, education and training within my company

About equal to others with similar experience, education and training within my company

Below others with similar experience, education and training within my company

I do not want to express my opinion

Once completed, the survey was printed and mailed to the current IAPP list of members. Assurances were provided by the IAPP that names on the list provided sufficient consent (in the form of an "opt-in") to receive the joint research instrument. Only IAPP and its official outside mail contractor had access to the list of members.

A few days before the actual mailing, an e-mail announcement from the Executive Director of the IAPP was sent to all members, requesting their full participation in this inaugural study. The e-mail announcement and cover letter that accompanied this survey (see Exhibit 1), requested that subjects complete the instrument on or before February 12, 2003. A postage paid envelope was provided with the instrument, with a pre-printed return address to Ponemon Institute in Tucson, Arizona (Research Department).

To maintain complete confidentiality, the survey instrument did not capture individual or company-specific information of any kind. Subject materials contained no tracking

codes or other methods that could link responses to the IAPP mailing list. In a few instances, subjects returned their survey in a business envelope. In these cases, our procedure required the immediate removal of the instrument, with the envelope being destroyed. In other instances, individuals sent their completed survey through e-mail. Again, in these cases, the instrument was printed and the e-mail immediately deleted.

Upon entering the survey information, the researchers examined each instrument for completeness. Only four instruments were rejected based on incomplete responses. In addition, each instrument was reviewed for consistency, such as a comparison of job title and organizational level. None of the instruments were rejected because of inconsistent responses.

Approximately two weeks after mailing the survey instruments, the IAPP did an e-mail reminder to everyone on the membership list to encourage those who did not respond to complete the instrument on or before the due date. In total, 52 additional surveys were received between the times of the second e-mail notice from IAPP to the research deadline.

The following matrix provides a simple summary recap of sample mailing and response results.

Total mailing	1029
Surveys received before second e-Mail	159
Surveys received after second e-Mail	52
Total survey items received	211
Total rejected survey items	4
Final sample size	207
Response rate	20.1%

To assess non-response bias, the researchers employed a late response testing method using the postal batch date, recorded when USPS (Tucson Post Office) received each postage-paid envelope. The results of this test showed no differences whatsoever in the pattern of salary information provided by subjects over time. In addition, the researchers conducted informal telephone interviews with members of the privacy community to assess their reaction to the survey and to ask them if they participated.

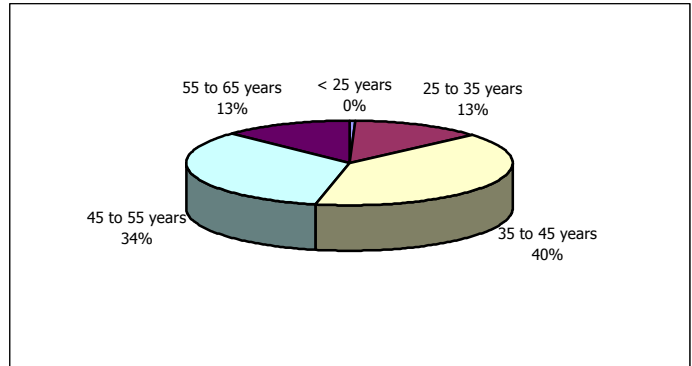
Albeit a non-scientific test, there were no apparent differences in salary or job function noted between those who said they participated and those who did not.²

² There were various reasons suggested during the debriefing interviews for not participating in the salary study – most notably, insufficient time, delegated responsibility to another individual, no recall of receiving of the survey from the IAPP, and company policy requiring approvals from legal before completing the instrument.

IV. Sample Description

This section provides a summary of the 207 subjects who participated in this study. The adjacent pie chart shows the distribution of subjects by age. It clearly shows that the vast majority of subjects (over 74%) are between the ages of 35 to 55 years.

This suggests that the individuals who responded to the survey are a relatively mature and experienced group of privacy practitioners. Only one subject indicated that he/she was under 25 years, and no subjects classified themselves as over 65 years of age.



The average experience level of subjects is 19.8 years, with 5.0 years in the privacy or data protection field, and 3.7 years in their current job or role.

Table 1 shows the distribution of subjects by size of their organization, as measured by worldwide headcount.³ It shows that a large percentage of subjects (50%) work in medium-sized organizations, ranging from 150 to 5,000 people. Over 39.2% of privacy professionals in this study work in larger organizations that have more than 5,000 employees.

The remaining subjects (10.8%) work in relatively small-sized organizations with a headcount of less than 150 people. This table suggests that the current sample has enough variation for analyzing salary differences across organizational entities of different sizes.

Table 1: Headcount of Subject's Participating Organization

Less than 50 people:	4.9%
Between 50 to 150 people:	5.9%
Between 150 to 1,000 people:	20.6%
Between 1,000 to 5,000 people:	29.4%
Between 5,000 to 25,000 people:	22.5%
Between 25,000 to 75,000 people:	9.3%
Over 75,000 people:	7.4%
	100.0%

³ Worldwide headcount was selected as a surrogate for organizational size because it is a relatively easy and unambiguous measure to capture. In addition, the approximate headcount of an organization is more likely to be known to the subject than other, more complex measures such as total assets, industry rankings, and so forth.

Table 2 provides an analysis of subjects according to their self-reported industry classification. It shows that the majority of subjects are in health care (55.6%), including health care providers, managed care companies, and pharmaceutical companies. The next largest industry grouping is in financial services (20.5%), including banking, brokerage, investment management and insurance. Other industry sectors, such as technology (5.9%), professional services (5.4%), government (3.9%), telecommunications (2.0%), and manufacturing (2.0%), had relatively small representation in this study. The “other” category included one-time (single) industry classifications such as communications and media or education.

The self-reported organizational level of subjects is summarized in Table 3. As shown, director (40.5%) and manager (21.0%) are the most frequently cited organization levels in the sample. The vice president (17.1%) and senior executive (9.8%) levels are also sufficiently represented. Lower levels such as associate (2.9%) and staff (2.4%) represent a very small portion of the current sample. The “other” category included atypical or unusual responses, such as university professor or scientist.

Table 2: Sample by Industry Classification

Financial Services	20.5%
Health Care	55.6%
Government	3.9%
Retailing	1.0%
Manufacturing	2.0%
Telecommunications	2.0%
Technology	5.9%
Professional Services	5.4%
Transportation	0.5%
Hospitality & Leisure	0.0%
Other	3.4%
	100.0%

Table 3: Position Level of Subjects

Senior Executive	9.8%
Vice President	17.1%
Director	40.5%
Manager	21.0%
Associate	2.9%
Staff	2.4%
Owner/Partner	2.4%
Other	3.9%
	100.0%

V. Survey Results

This section provides descriptive analyses of annual compensation levels (reported in US\$ with 000 omitted) for the current sample of 207 privacy professionals. The mean salary level for the overall sample was \$101,146 (with a standard deviation of \$42,778).

The first analysis of salary is summarized in the adjacent pie chart. It shows the distribution of self-reported salary levels according to six categories. The largest group of subjects (over 41%) received pay levels above \$60k and below \$100k. The second largest group (over 30%) received pay levels from \$100k to \$150k. A much smaller group of subjects earned executive level pay (12% earn from \$150k to \$200k). Very few subjects earned compensation in excess of \$200,000 or below \$30,000.

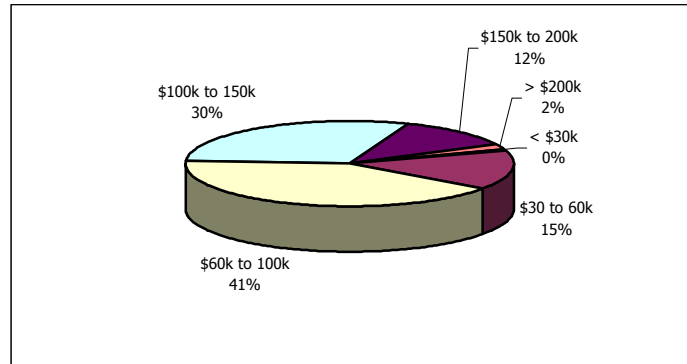


Table 4 reports quartile information for the overall sample. It shows significant variation in mean and median salary levels across all four quartiles. For instance, Fourth Quartile salary (\$157k) is almost three times greater than First Quartile salary (\$55k). The maximum self-reported salary was \$265k and the minimum salary was \$20K. In general, median results track consistently with sample means, suggesting that the current sample is fairly even in terms of how the data is skewed or spread out.

Table 4: Quartile Analysis on Salary		
	Mean	Median
First Quartile	\$ 54.56	52
Second Quartile	\$ 79.66	80
Third Quartile	\$ 112.88	125
Fourth Quartile	\$ 157.01	156
Maximum	\$ 265.00	
Minimum	\$ 20.00	

Table 5 reports average salary according to subjects' self-reported titles.⁴ Clearly, the title Chief Privacy Officer commands the highest salary among privacy professionals (\$122k), but salary for this title is markedly lower than subjects with the title General Counsel (\$148k). Subjects who were Privacy Directors or Privacy Managers (\$98k) tended to earn more than individuals who noted their title as Privacy Officer (\$85K).

Table 5: Salary by Job Title	Mean	PCT%
Chief Privacy Officer	\$ 122.36	16%
Privacy Officer	\$ 85.30	20%
Privacy Director/Manager	\$ 97.56	16%
Privacy Specialist	\$ 59.74	4%
Compliance Officer	\$ 95.06	15%
General Counsel	\$ 148.00	3%
Information/Data Security	\$ 91.47	10%
Other	\$ 107.28	16%
		100%

Privacy specialists are likely to be the most junior personnel in the privacy office, and hence earned the lowest self-reported compensation (\$59k). Subjects who self-reported their titles with the terms "data security" or "information security" tended to earn average salaries (\$91k), just below the Privacy Director or Privacy Manager levels.⁵ Similarly, subjects who had the title Compliance Officer (or Director of Compliance) tended to earn salaries (\$95k) that were very close to Privacy Director or Privacy Manager levels of compensation.

Table 6 provides quartile analyses on salary for subjects' overall experience, privacy-domain experience and experience in current role (all measured in years).

Table 6: Quartile Analysis for Salary by Experience (in Years)

	Overall Experience		Privacy Experience		Current Role Experience	
	Salary	Mean Yrs	Salary	Mean Yrs	Salary	Mean Years
First Quartile	\$ 88.72	\$ 9.77	\$ 79.43	\$ 1.29	\$ 89.09	\$ 1.05
Second Quartile	\$ 93.74	\$ 17.47	\$ 92.50	\$ 2.17	\$ 95.37	\$ 1.94
Third Quartile	\$ 110.33	\$ 22.24	\$ 119.08	\$ 3.55	\$ 119.52	\$ 3.08
Fourth Quartile	\$ 110.15	\$ 29.80	\$ 115.53	\$ 12.27	\$ 100.23	\$ 8.88

⁴ Since title is a free-form field on the survey, certain grouping assumptions were made when the title did not exactly match a specific category. If a close match could not be determined, the observation was recorded as "other" (which occurred in 32 observations).

⁵ In a few cases, individuals indicated that they were HIPAA Security Directors. In these cases, individuals were grouped into the data security title category as long as the term "security" was used. Otherwise, the individual would be placed in the category denoted as "other".

Average salary levels increase among First, Second and Third Quartiles for all three experience variables. However, salary declines in the Fourth Quartile, especially in the current role and privacy-domain experience categories, respectively. This finding suggests that subjects with the most experience in their current positions, and are in the Fourth Quartile (8.9 years, \$100k), earn less compensation than those with much less average current role experience (3.1 years, 120k) in the Third Quartile. Similarly, individuals in the Fourth Quartile for privacy-domain experience (12.3 years, 116k) on average, earn lower salary than individuals in the Third Quartile (3.55 years, \$119k).

The next analysis provides mean salary information according to subjects' self-reported percentage of their time devoted to privacy and data protection as part of their current role or job function. These data show that the majority of subjects in this study (53%) spend more than 70% of their time dedicated to privacy or data protection issues. However, a fairly large group of subjects (31%) spend less than 50% of their time on privacy or data protection as part of their current job role. These results provide an interesting finding; that is, salary levels seem to vary significantly based on the practitioner's dedication to privacy.

As shown in Table 7, subjects who reported that they spend more than 70% in their privacy role, on average, earn substantially lower salaries (\$97k when role dedication is > 90%; \$94k when role dedication is > 70%) than individuals who devote between 30% to 50% of time (\$105k), as well as those who devote less than 30% of their time (\$130k), to privacy or data protection issues as part of their current job functions.

Table 7: Salary by Percentage of Role Dedicated to Privacy	Mean	PCT%
Greater than 90%	\$ 96.88	40%
Between 70 to 90%	\$ 94.29	13%
Between 50 to 70%	\$ 92.78	16%
Between 30 to 50%	\$ 105.38	19%
Less than 30%	\$ 129.63	12%
		100%

Another related survey item asked subjects to report whether their jobs were full or part time. In total, 94% of subjects reported their jobs as full time (with average salary at 102K), and 6% of subjects reported their jobs as part time (with average salary at \$92).

The next analysis reports mean and median salary levels by self-reported industry classifications. As noted in Table 3, a majority of subjects (56%) work for health care

companies. While there are other industry group concentrations represented in the sample, some of these classifications have relatively small sub-sample sizes. Hence, care should be taken before generalizing findings to all industries.

As shown in Table 8, subjects in the manufacturing, transportation and technology industries, respectively, report average salary levels in excess of \$120k. Subjects in professional services and financial services earn average salaries in excess of \$110k. Lower average salaries are reported for telecommunications, government and health care.

Table 8: Salary by Industry Classification

	Mean	Median
Financial Services	\$ 110.06	\$ 125.00
Health Care	\$ 91.94	\$ 80.00
Government	\$ 95.88	\$ 80.00
Retailing	\$ 102.50	\$ 102.50
Manufacturing	\$ 138.75	\$ 150.00
Telecommunications	\$ 105.00	\$ 122.50
Technology	\$ 120.17	\$ 122.50
Professional Services	\$ 117.00	\$ 125.00
Transportation	\$ 125.00	\$ 125.00
Other	\$ 118.66	\$ 125.00

Further analysis was conducted to determine if other underlying variables, such as age, experience, organization size or position level, influenced the relatively low average salary in health care. The analysis revealed that organization size (as measured by headcount) was a possible correlated factor. In other words, subjects who reported their industry classification as health care were more likely to work in small to medium-sized companies (which, as noted below, provided lower average compensation to privacy practitioners than larger organizations).

Table 9 reports mean and median salary data by the self-reported worldwide headcount of organizations that employ subjects. Average salary is highest (\$129k) for individuals who reported working in companies with headcount from 5,000 to 75,000. Average salary is relatively high for privacy professionals

Table 9: Salary by Headcount Classification

	Mean	Median
Less than 50 people	\$ 110.06	\$ 125.00
Between 50 to 150 people	\$ 91.94	\$ 80.00
Between 150 to 1,000 people	\$ 95.88	\$ 80.00
Between 1,000 to 5,000 people	\$ 102.50	\$ 102.50
Between 5,000 to 25,000 people	\$ 138.75	\$ 150.00
Between 25,000 to 75,000 people	\$ 105.00	\$ 122.50
Over 75,000 people	\$ 120.17	\$ 122.50

who work for very large companies with headcount over 75,000 (\$120k). In contrast subjects working in small to medium-sized companies report the lowest compensation levels. Subjects in organizations with headcount from 50 to 150 people report the lowest average salary (\$92k). Privacy professionals in medium-sized companies, with

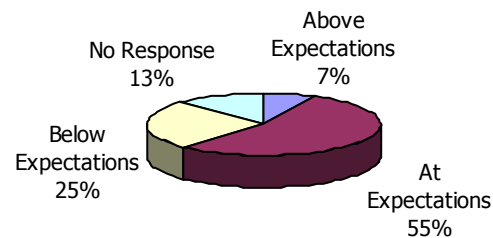
headcount from 150 to 1,000 people reported relatively low average salary (\$96k). Very small companies, with headcount less than 50 people, appear to pay salaries comparable to larger organizations (\$110k).

Table 10 reports mean and median salaries (and sub-sample percentages) for subjects according to their expectations about bonus compensation in 2003. It shows that the majority (61%) of privacy professionals expect to receive a bonus. As can be seen, those who expect to receive a bonus earn substantially higher salaries than those who do not (\$110k versus \$85k).

Table 10: Salary by Expected Bonus Compensation

Expected Bonus	Mean	PCT%
Yes	\$ 110.13	61%
No	\$ 85.38	28%
Unsure	\$ 87.61	11%
		100%

The final analysis concerns subjects' opinions regarding the fairness of their compensation level relative to others with similar experience and education within their organizations. The adjacent pie chart summarizes how subjects responded to this normative survey item. As shown,



55% of subjects perceive their compensation as fair (at expectations). Another 7% of subjects believe that their compensation is above others with similar experience and education within their organization. A relatively large sub-sample of subjects (25%) believe that their compensation is lower than others with similar experience and education. The remaining 13% did not want to express their opinions.

Table 11 reports mean and median salary levels according to responses to this normative item. It shows that subjects who responded above expectations have the highest salary level, while those who responded below expectations have the

Table 11: Salary by Perception of Compensation Fairness

	Mean	Median
Above Expectations	\$ 113.79	\$ 117.50
At Expectations	\$ 108.72	\$ 120.00
Below Expectations	\$ 85.30	\$ 80.00
No Response	\$ 94.05	\$ 85.00

lowest salary level. In short, these findings suggest that privacy professionals have perceptions that are consistent with their actual pay experience.

Further analysis attempted to correlate other possible factors that might explain variations in perceptions presented in Table 11. The only correlated factor was industry classification. Again, privacy professionals in the health care industry, on average, appear to have the most negative perceptions (below expectations) about the fairness of their compensation than subjects in all other industry groups.

VI. Implications and Conclusions

The current study provides preliminary results that will require further empirical research to explore and validate. As noted before, care should be taken when interpreting the study's findings, especially for purposes of generalizing beyond the community of IAPP members. Considering these caveats, the following implications are drawn by the researchers from the data presented in the previous sections.

Perhaps the most salient finding is that privacy professionals in the health care industry appear to earn lower compensation levels than privacy practitioners in other industries. Given the rash of new regulatory requirements concerning the management of health care privacy and data security, it is imperative that employers in this industry consider compensation packages that attract and retain the best and brightest in the privacy profession. The evidence presented herein suggests that health care companies may be lagging behind other industries on pay issues for privacy professionals.

A second important finding is that privacy professionals who are only partially focused on privacy and data protection issues earn substantially higher salaries than those who are fully dedicated. This finding may reflect the reality that privacy management is a relatively new and unproven role in many organizations. The correlation between salary and amount of time devoted to privacy likely reflects that the employer values highly the other functions the person performs (e.g., chief counsel) but does not have a similarly high regard for the privacy function as yet.

As a consequence, many companies have not allocated sufficient resources to staff a full-time executive level privacy position. Hence, individuals with dual titles such as general counsel or chief compliance officers often do privacy management as one of several primary functions or responsibilities. The implication of part time executive level involvement is clear and may reflect the fact that many organizations are not focusing enough attention to a potentially costly risk area.

A third and somewhat surprising finding is that the most experienced group of privacy practitioners in this study earned lower compensation than those with less experience. While salary increased for people within the first three years of experience (in their current role), compensation levels actually decline beyond four years of role experience.

In short, the present survey results are insufficient to draw any definitive conclusions about this finding. One conjecture is that because the privacy role is new within many organizations, the most seasoned professionals have not as yet realized compensation commensurate with their expertise. Hence, as the field matures, salary and experience should move in the same direction. A second conjecture is that the subjects who had the most privacy experience focused too narrowly to advance to higher management positions. Privacy may be too new to have a spot near the top of the corporate hierarchy.

A fourth interesting finding is that perceptions about the fairness or unfairness of compensation are grounded in fact. About one quarter of the sample perceived their compensation to be below others with similar backgrounds. These people earned substantially lower levels of pay, on average. Many of the practitioners in the negative perception group are in the health care industry, suggesting that health care and other employers need to carefully consider pay issues if they want to retain or motivate key people, especially during a time of high industry exposure because of the onset of new HIPAA regulations.

A final important finding in this study is the extent of variation that appears to exist within the participating IAPP sample. This variation may be a reflection that the privacy community is still relatively young, and has not had enough time to form general operating practices or standards for organizational structure (including pay levels for professionals). If this conjecture is true, then as the profession of privacy matures, individual salary levels (at a given level of experience) should become more consistent across organizations and industries.

If you have questions, comments or concerns about this research report or you would like to obtain additional copies of the document (including permission to copy this paper and research instrument), please contact by letter, phone call or email:

Ponemon Institute
Attn: Research Department
3901 S. Escalante Ridge Place
Tucson, Arizona 85730
520.290.3400
research@ponemon.org