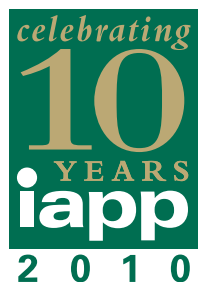


2010

Privacy Professional's Role, Function and Salary Survey

International Association of Privacy Professionals



2010 Privacy Professional's Role, Function and Salary Survey

International Association of Privacy Professionals

|| *A Message from the President*

I am delighted to present to you the 2010 edition of the IAPP Privacy Professional's Role, Function and Salary Survey.

This annual analysis of the privacy profession is among the most valued of the many professional resources we offer to members. This edition arrives as we recognize the tenth anniversary of the IAPP, the largest association serving the privacy profession.

As part of this recognition, we are taking the opportunity to look not only at the current state of our profession but also at how the privacy professional's role has developed over time. We compare many of the findings of our 2010 survey to the findings of previous years.

On the following pages you will find much information and insight into the responsibilities, aspirations, value and earning power of today's privacy professional. We trust that this resource will help guide your privacy career path and elevate your visibility both within your organization and the marketplace as a whole.

Sincerely,



Nuala O'Connor Kelly, CIPP, CIPP/G

Senior Counsel, Information Governance and Chief Privacy Leader

General Electric Company

2010

Privacy Professional's Role, Function and Salary Survey

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I. Executive Summary

The International Association of Privacy Professionals (IAPP) administers an annual survey of its membership to understand the roles and functions of global privacy professionals. This study tracks compensation trends for individuals and the time allocation for their privacy tasks. It also explores how privacy professionals see their roles and responsibilities evolving in the near and distant future.

The *2010 Privacy Professional's Role, Function and Salary Survey* was completed by the IAPP in coordination with Minnesota Privacy Consultants (MPC), a research and consulting firm that specializes in privacy operations and personal data governance for both corporate and governmental organizations. The IAPP developed and fielded the survey and MPC provided further analysis and reporting.

This year marks the tenth anniversary of the IAPP and an important milestone for measuring the profile, influence and engagement of privacy professionals in private and public sector organizations today.

Three key themes have emerged from our 2010 survey:

- **The role of the privacy professional is in transition.** Respondents are tackling more responsibilities besides privacy and many expect their roles to change in the coming year. They continue to foresee a wide array of career paths before them. For the first time, however, respondents say that their desired allocation of time among strategic, process and foundational tasks matches their actual allocations.
- **The privacy function is maturing.** In spite of finding themselves placed among a broad variety of reporting structures, the privacy programs of more than one-third of responding organizations have reached the highest level of maturity.
- **The salaries of privacy professionals are normalizing.** The overall mean salary of survey respondents declined for the first time, roughly to the mean reported in 2005. This is probably attributable to a higher share than ever before of staff-level privacy pros taking the survey. A deeper look into the data shows growing and more predictable salary distributions and stratifications, a reflection of a maturing profession.

II. Survey Methodology

The IAPP sponsored and initiated a survey of its membership in December 2009 to generate the results detailed in this report. This section explains the survey objectives, questions, delivery and sample, and outlines some limitations inherent in the process.

Survey Objectives

This year's study seeks to expand on the results of those from the previous eight years. We defined our research goals through the following lines of questioning:

- What promotions are privacy professionals aspiring to and likely to advance into?
- How do privacy professionals spend their time fulfilling their responsibilities?
- Are there significant gaps between how privacy professionals are required to allocate their time versus how they would prefer to allocate their time?
- What is the compensation level of privacy professionals and how has their salary changed over the past eight years?
- How does compensation vary for individuals with different titles?
- Do organizational reporting relationships affect compensation?
- Do compensation levels vary by other key factors such as industry, organization size and experience?

The IAPP developed this survey with the goal of collecting information from privacy practitioners in a convenient fashion. We wanted to limit the survey to one that could be completed in less than 10 minutes in an attempt to maximize completion rates. In general, a concise survey can produce a higher response rate and better quality results. The estimated time to take the survey was noted in the introductory remarks of the survey and was measured on average to be 9 minutes. We also had the objective of tracking trends on key parameters, and so ensured that at least a subset of similar questions from past surveys was included.

Survey Questions

IAPP staff developed a draft survey in November 2009, building upon questions from previous surveys. IAPP board members and other experts in the field then reviewed the draft and suggested improvements. IAPP staff incorporated the suggestions and shortened the survey for clarity.

In total, the survey contained 23 items. Many questions included open-text "other" category boxes to capture subjective responses as well as identify unique or interesting trends. Responses to open-text questions were considered while drawing conclusions from the survey data, however not all of the results are published in this report.

To maintain confidentiality, the survey instrument did not request individual or company-specific information.

Survey Limitations

There are inherent limitations to survey research that need to be carefully considered before drawing conclusions from sample findings. The following limitations are relevant to the present study.

- The current findings are based on a sample of survey returns. 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.
- Financial services, government and healthcare are the largest industry group within the IAPP today, due perhaps to the influence of sectoral privacy regulation such as HIPAA and GLBA in the U.S. Hence, while other industry concentrations are represented, the IAPP membership list is skewed toward highly regulated organizations.
- The IAPP membership primarily constitutes North American-based organizations. While Canadian, European and Asia-Pacific members exist within the association today and are growing as a total share, results of this study should not yet be generalized to other parts of the world.

Extrapolated Salary. Salary information is very sensitive. Therefore, the instrument allowed individuals to choose between a salary range and a salary amount to disclose current compensation. The extrapolation of salary from a range should 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. 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.

Survey Delivery and Sample

The IAPP fielded the survey to approximately 6,000 members via e-mail on December 10, 2009 and then again on January 12, 2010. The survey was closed to responses on January 14th. The e-mails included a link to the survey questions displayed via an online survey tool. Once closed, the IAPP analyzed the collected survey data via a web-based tool to produce the report results.

889 completed surveys were received translating to a response rate of approximately 14.8%. This compares to response rates of 13 percent from the 2006 and 18.5 percent from the 2005 surveys.

III. Survey Findings

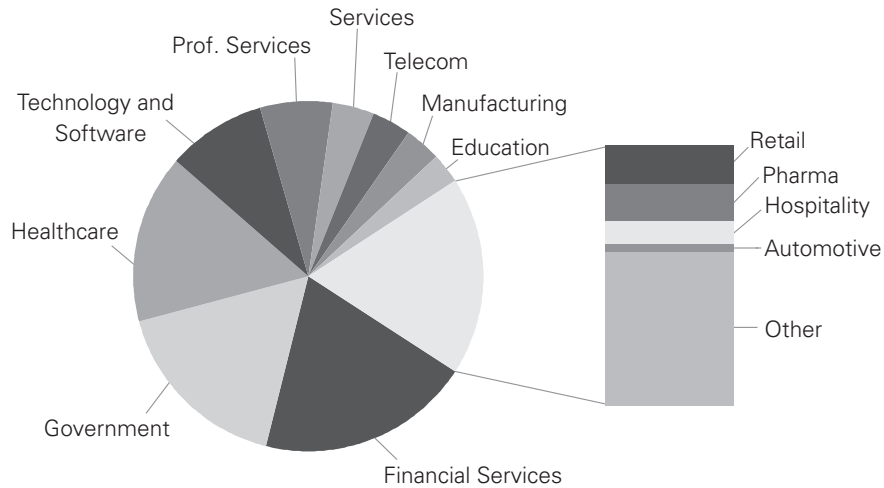
The results of the 2010 IAPP Privacy Professional's Role, Function and Salary survey are described on the following pages. We begin with a summary of the respondent pool by industry sector, organization size, geographic location and gender composition. We then closely analyze respondent role, job function and salary levels. Where possible, the findings are compared with identical elements from previous years' surveys.

Industry Sector

Increasing diversity of sectors. Survey respondents' sectors have stayed constant in some ways, but changed in others. One-fifth of respondents in 2003 and 2010 hailed from the financial-services industry. In order to maintain this share while the overall privacy profession was growing,

the rate of growth of privacy professionals in the financial-services sector needed to grow at a similar rate. The healthcare sector posted a dramatic decline during this timeframe, from 56 percent to 15 percent. A likely explanation for this was the initial HIPAA-compliance deadline in early 2003, which could have generated a surge in U.S.-based healthcare privacy professionals and respondents, and a subsequent fall-off among this cohort. During the same period, the share of government respondents quadrupled from 4 percent to 17 percent. The telecom, retail and hospitality sectors also doubled their small shares, while the 'other' category tripled, reflecting a growing diversification of privacy professionals across the economy. This diversification suggests this year's survey is the most representative to date of the different sectors making up the global economy that are actively addressing privacy issues.

Chart 1: Industry Sector, 2010



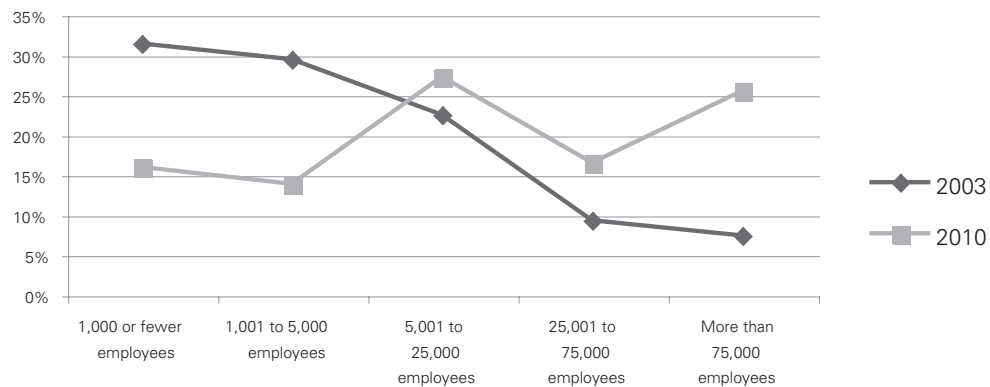
Sector	2003	2010	Change
Financial Services	21%	20%	-1%
Government	4%	17%	13%
Healthcare	56%	15%	-41%
Technology and Software	6%	9%	3%
Professional Services	5%	7%	2%
Services		4%	
Telecommunications	2%	4%	2%
Manufacturing	2%	3%	1%
Education		3%	
Retailing	1%	3%	2%
Pharmaceuticals		3%	
Hospitality and Leisure	0%	2%	2%
Automotive		1%	
Web Merchant		0%	
Other	4%	11%	7%

Organization Size

Increasingly large organizations. When the IAPP first began surveying privacy professionals, 31 percent were employed by the smallest category of employer, those with 1,000 or fewer employees, and the largest category of employer accounted for the lowest share. In just seven years, this situation has nearly reversed. Today 25 percent of respondents hail from the largest category of employer – those employing over 75,000 – while 27 percent are employed by the mid-sized category of 5,001 to 25,000 employees.

These results introduce almost as many questions as they answer. For example, were law firms, consultancies and technology vendors—typically smaller organizations—accounting for relatively more survey respondents in 2003 than in 2010? Or, is privacy becoming more of a large-organization phenomenon? Other indicators in the profession but outside of this survey suggest the opposite—that privacy is spreading from large corporations into small and medium-sized businesses that are newly aware of their information risks and compliance obligations.

Chart 2: Organization Size



Organization Size	2003	2010	Change
1,000 or fewer employees	32%	16%	-16%
1,001 to 5,000 employees	29%	14%	-15%
5,001 to 25,000 employees	23%	27%	4%
25,001 to 75,000 employees	9%	17%	8%
More than 75,000 employees	7%	25%	18%
n/a	0%	1%	1%

Geographic Location

Geography locus North American, but shifting. As in previous IAPP salary surveys, this year's target sample was heavily concentrated in North America. The chart below depicts IAPP members by region at the end of 2009, where 94 percent were located in the United States and Canada. The high percentage of North America-based respondents probably understates, however, the global perspective of the survey. For example, 27 percent of the privacy offices of responding organizations have global responsibility. More than 40 percent maintain employees in the Asia-Pacific region and nearly half employ European citizens. Moreover, the total share of IAPP members who are based outside North America has grown each year, suggesting the regional nature of the results will diminish over time.

Chart 3: IAPP Members By Region, 2009

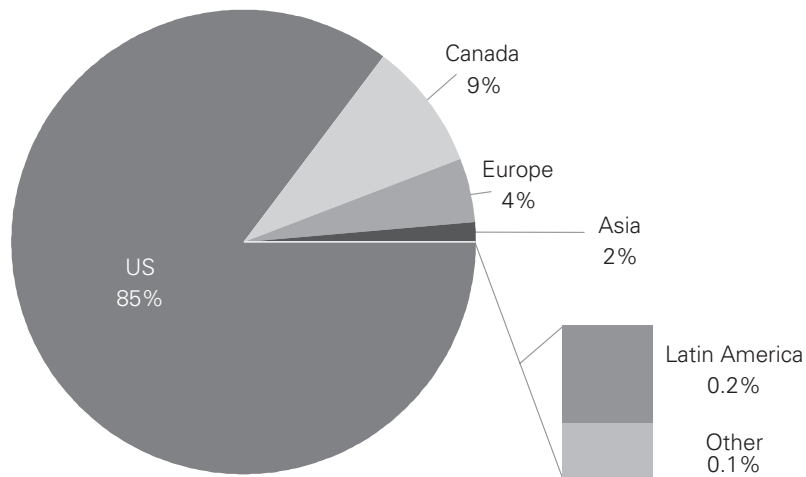
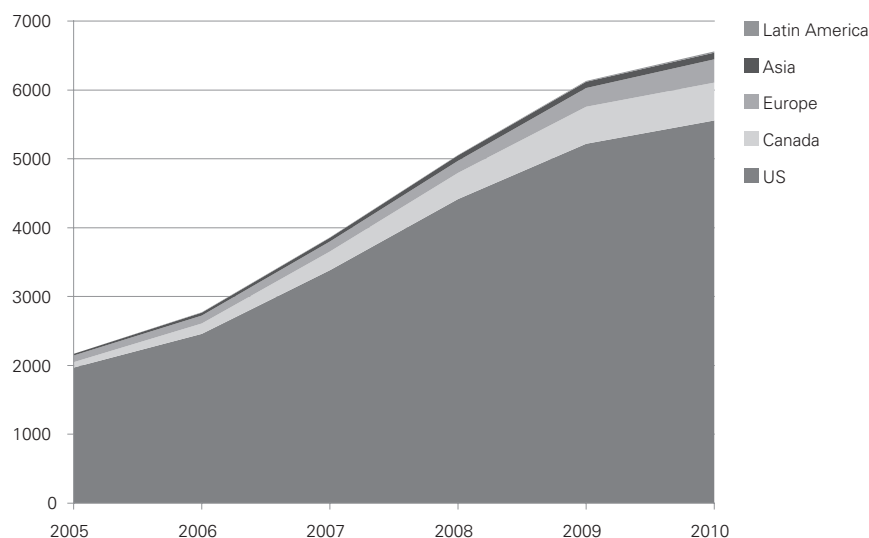
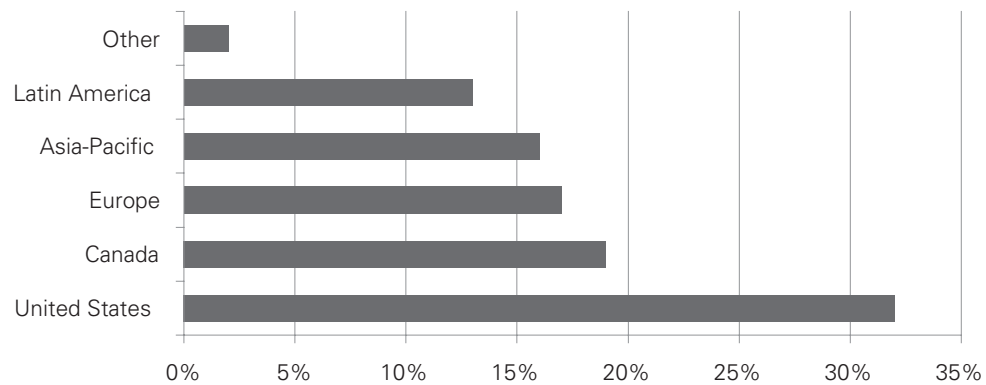


Chart 4: IAPP Members By Region, 2005-2010



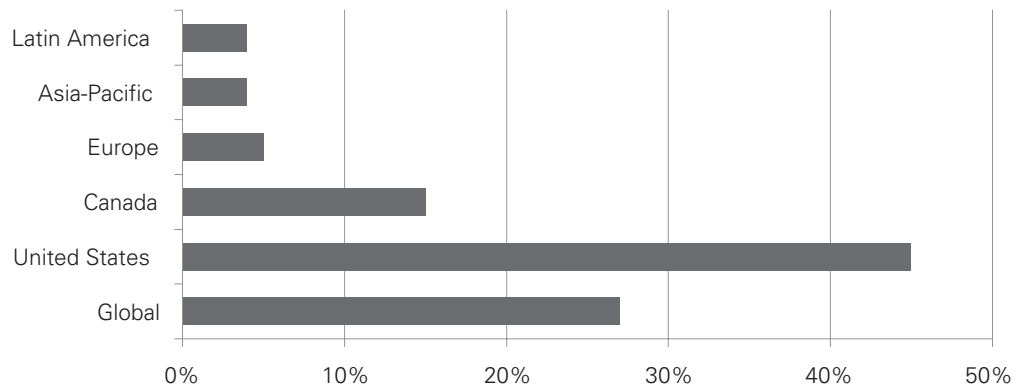
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Members	99	698	916	886	1499	2170	2774	3863	5064	6137	6569
U.S.						1968	2458	3383	4418	5219	5555
Canada						81	152	268	376	535	551
Europe						93	116	147	178	271	337
Asia (Incl.Australia/ New Zealand)						26	43	56	78	92	100
Latin America						2	3	4	8	13	19
Other Int'l						0	2	5	6	7	7

Chart 5: Global Distribution of Employees



Country	#	%
United States	798	32%
Canada	471	19%
Europe	421	17%
Asia-Pacific	385	16%
Latin America	329	13%
Other	56	2%

Chart 6: Jurisdictions of Privacy Offices

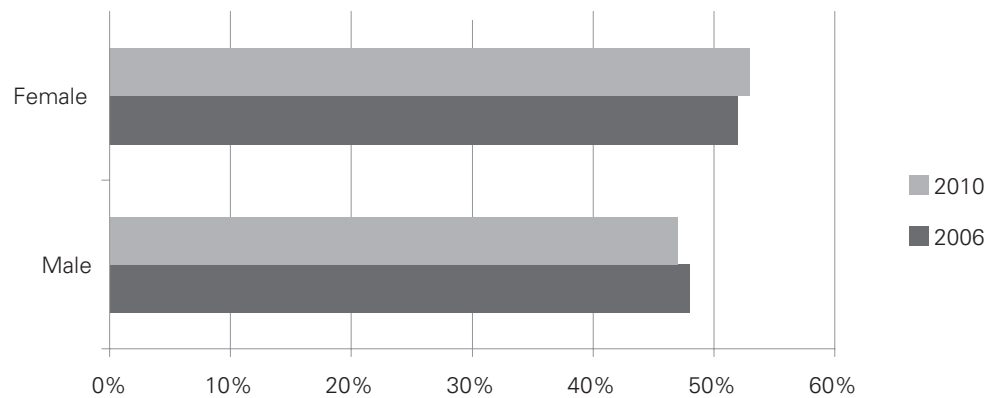


Jurisdiction	#	%
Global	320	27%
United States	528	45%
Canada	171	15%
Europe	63	5%
Asia-Pacific	47	4%
Latin America	46	4%

Gender

Slightly more women. One dimension of the survey sample has remained constant since the last study: respondent gender. Just over half of the respondents in 2006 were women, and an almost identical proportion repeated itself in 2010. That said, the proportion of women respondents is down from a high of 59 percent in 2004.

Chart 7: Gender



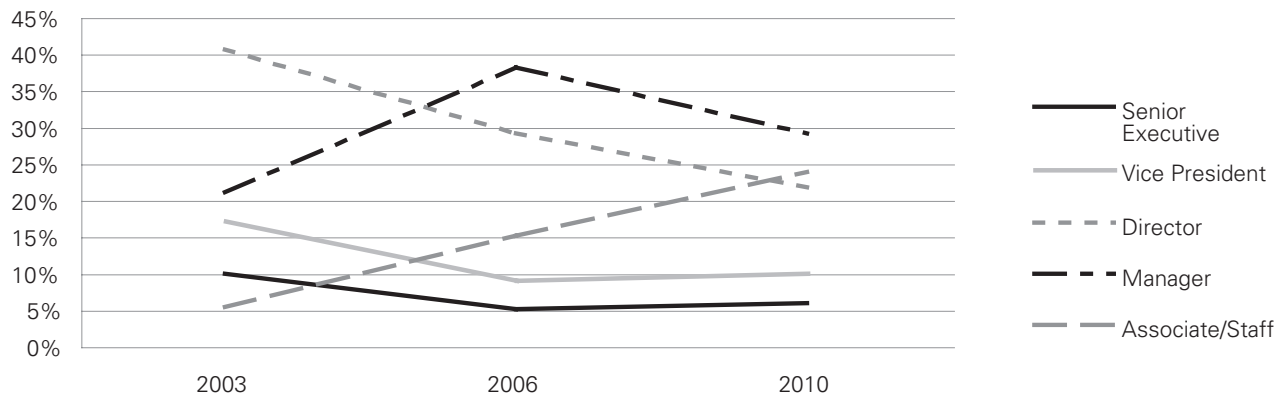
Gender	2006	2010
Female	52%	53%
Male	48%	47%

Role

How close to the top executive are privacy professionals situated? How broadly dispersed are they across all levels of an organization? Survey respondents have revealed two trends over the years: a decreased but steady share of 14–16 percent retain senior-executive and vice president positions, while a steadily declining share occupy middle-management

ranks. The declining overall share of the management cadre has been offset by a surge in privacy associate and staff positions, which grew from five percent in 2003, to 15 percent in 2006 and a quarter of all respondents in 2010. *These results suggest that organizations may have increased their staff resources devoted to operationalizing their privacy strategies and policies.*

Chart 8: Management Positions



Management Positions	2003	2006	2010
Senior Executive	10%	5%	6%
Vice President	17%	9%	10%
Director	41%	29%	22%
Manager	21%	38%	29%
Associate/Staff	5%	15%	24%
n/a	0%	0%	1%
Other	6%	4%	9%

Non-privacy responsibilities. The overwhelming majority of survey respondents (97%) indicated they are employed full time. That said, many respondents do not spend all of their time on privacy. Shares ranging from four to 19 percent have other, legal-related responsibilities; 16 percent are also responsible for information security; and shares ranging from two to eight percent have other corporate and business portfolios. These mixed responsibilities could be a burden or a benefit for privacy professionals. While multiple responsibilities could dilute the time devoted to privacy, having access to multiple agendas could also broaden the impact of privacy in an organization.

Chart 9: Job Responsibilities by Category



Additional Responsibilities Beyond Privacy	%
Other	8%
Internal auditing	6%
Public relations	2%
Human resources	2%
General consulting	7%
General management	7%
Corporate marketing and CRM	2%
Webmaster	1%
Information technology	8%
Information security	16%
Corporate law	4%
Government relations	4%
Corporate ethics	6%
Records management	9%
Regulatory compliance	19%

The era of mixed responsibilities appears likely to continue. When asked “Do you envision your responsibilities changing in the next year or two?”, 53 percent responded in the affirmative. Where will they be spending more time? In the same areas where their attentions are already divided—compliance (37%), information risk or governance (32%), and security (19%). For the near future, privacy will continue to be a multidisciplinary responsibility for many in the profession.

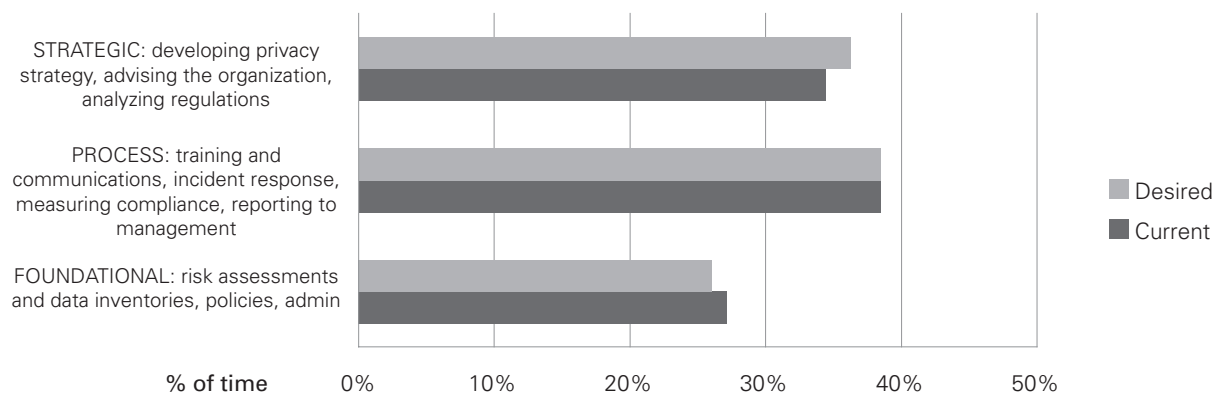
Increased Time Allocation in 2010	%
Other	5%
General legal	7%
Security	19%
Information risk or governance	32%
Compliance	37%

Balanced time allocation. *For the first time since we began asking how privacy professionals spend their time, respondents reported that current time allocations are very close to their desired time allocations.*

To arrive at this conclusion we grouped tasks into three categories—strategic, process and foundational—and summed percentages at those group levels. This year, for example, respondents said they are spending 34 percent of their time on strategic tasks and only desire to spend a slightly higher proportion—36 percent—at that level.

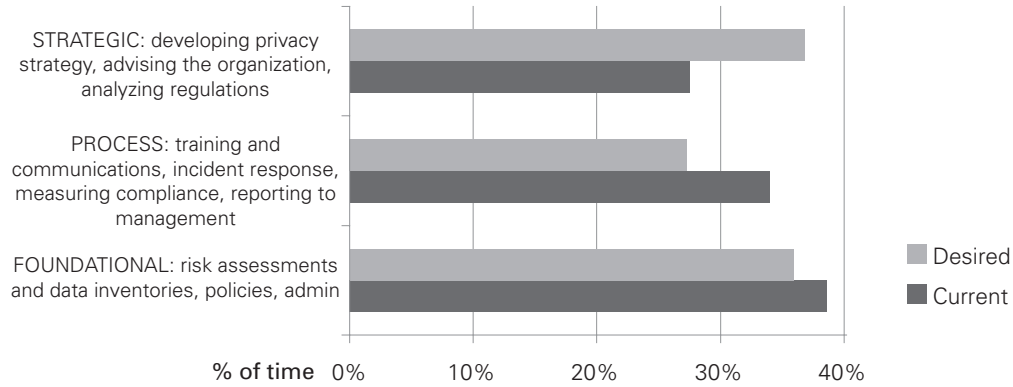
Conversely, in 2005 respondents also said they desired to spend 37 percent of their time at the strategic level, but reported that they were only spending 28 percent of their time on strategic matters. These results suggest that over the past five years, privacy professionals have been successful in balancing their time toward their desired mix of activities and also spending more time strategically. Remarkably, privacy professionals accomplished this transition during an era of expanding data-breach-notification requirements, a process-level responsibility.

Chart 10: Time Allocation, Tasks (2010)



2010	Current	Desired
STRATEGIC	34%	36%
Developing privacy strategy	10%	13%
Analyzing regulations	11%	10%
Advising/consulting the organization	13%	13%
PROCESS	38%	38%
Developing and performing training and communications	10%	11%
Monitoring and measuring compliance (enforcement)	9%	12%
Responding to incidents	10%	7%
Reporting to management	9%	8%
FOUNDATIONAL	27%	26%
Performing risk assessments and data inventories	9%	11%
Developing and implementing policies and guidance	13%	12%
Administration (personnel and budget)	4%	2%
Other	1%	1%

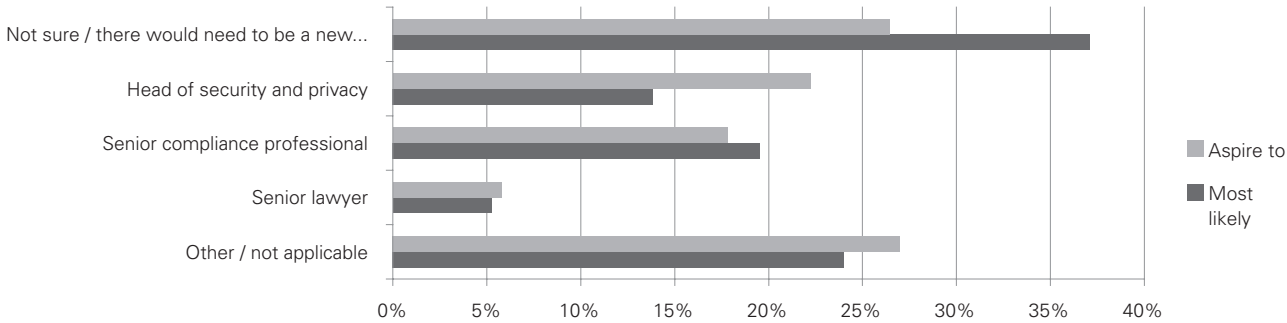
Chart 11: Time Allocation, Tasks (2005)



2005	Current	Desired
STRATEGIC	28%	37%
Developing privacy strategy	7%	12%
Analyzing regulations	7%	12%
Advising/consulting the organization	13%	13%
PROCESS	34%	27%
Developing and performing training and communications	8%	7%
Monitoring and measuring compliance (enforcement)	4%	4%
Responding to incidents	19%	9%
Reporting to management	2%	8%
FOUNDATIONAL	39%	36%
Performing risk assessments and data inventories	5%	7%
Developing and implementing policies and guidance	14%	11%
Administration (personnel and budget)	9%	7%
Other	12%	12%

Diverse career paths. When asked the twin questions “If you were to advance within your own organization, which role would you most likely be promoted to?” and “If you were to advance within your own organization, which role would you most likely aspire to?”, the results suggest there is not yet a predictable or small set of privacy career paths. Indeed, 145 respondents chose the ‘other’ category for their most likely promotion, and 154 chose the ‘other’ category for their most desired promotion.

Chart 12: Anticipated Promotions



Next Promotions	Most likely	Aspire to
Other / not applicable (see below)	24%	27%
Senior lawyer	5%	6%
Senior compliance professional	20%	18%
Head of security and privacy	14%	22%
Not sure / there would need to be a new role created	37%	26%

‘Other’ “most likely” Promotion Responses	% of ‘other’ category	Aspire to
Director- or manager-level positions	19%	27%
Chief compliance officer track	12%	6%
Partner or law track	10%	18%
CPO	8%	22%
CISO	4%	26%
Information-risk track	4%	

‘Other’ “aspire to” Promotion Responses	% of ‘other’ category	Aspire to
Director- or manager-level positions	24%	27%
CPO	12%	6%
Partner or law track	12%	18%
Chief compliance officer track	8%	22%
Information-risk track	8%	26%
VP-level position	7%	
CIO	5%	
CSO or CISO track	5%	
CEO or COO	3%	

Function

Where is the privacy function currently situated within organizations? Business executives and privacy leaders continue to ask this question. Because of the multidisciplinary nature of privacy, the answer has been elusive. This year is no different. Today's privacy professionals find themselves in a variety of departments. Three reporting structures are emerging as dominant:

1. Reporting up through the general counsel
2. Reporting up through a business executive
3. Reporting up through the chief information officer

The heightened risk of privacy noncompliance—data breaches in particular—has probably contributed to the focus on the legal and compliance areas. That said, the most remarkable finding of the three related questions —

- Check the *primary person within your organization to whom you or your privacy leader reports*;
- Check the *secondary person within your organization to whom you or your privacy leader reports*; and
- Please indicate the additional formal or informal (“dotted-line”) reporting relationships you have within your organization

—is the number-one answer: ‘Other’. Even after we delved into the ‘Other’ category for more details, no single category emerged beyond the pre-selected choices. This suggests the placement of the privacy function is still subject to many unexplored variables.

Chart 13: Primary Reporting Structures

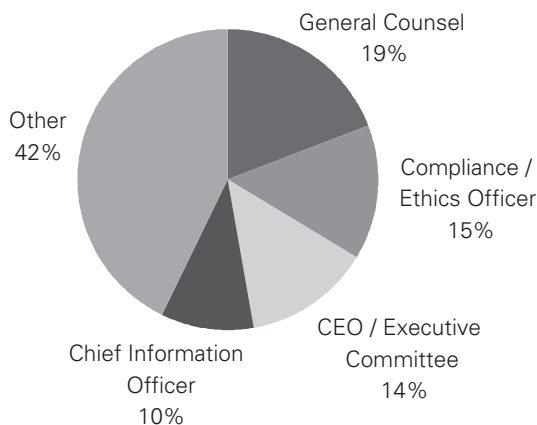


Chart 14: Secondary Reporting Structures

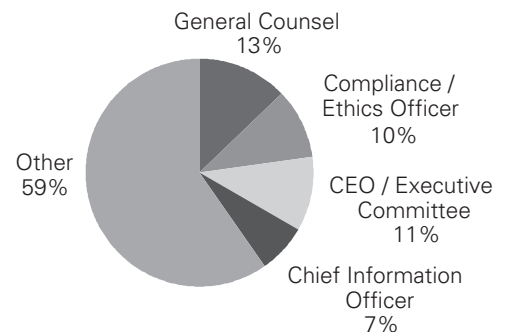
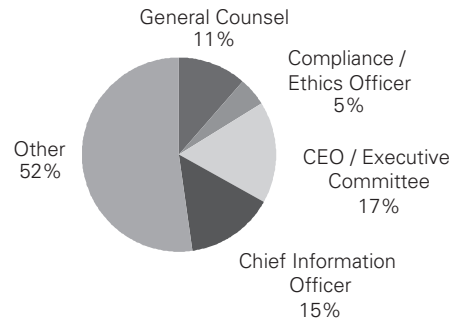


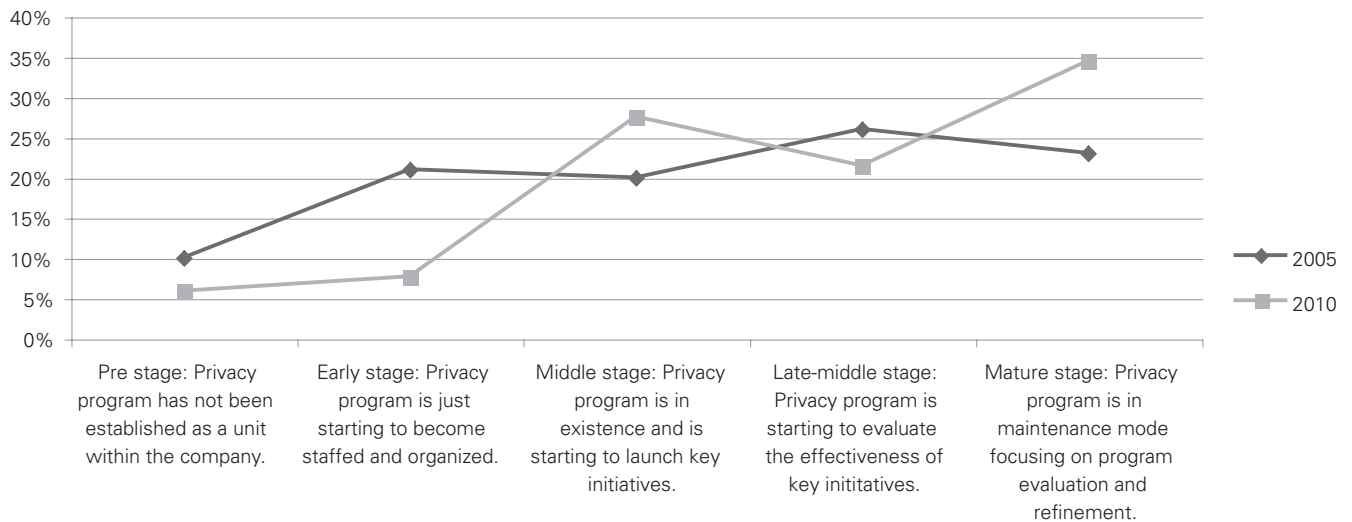
Chart 15: “Dotted-line” Reporting Structures



	Primary	Secondary	Dotted-line
General Counsel	19%	13%	17%
Compliance/Ethics Officer	15%	10%	12%
CEO/Executive Committee	14%	11%	11%
Chief Information Officer	10%	7%	15%
Chief Risk Officer	5%	3%	7%
Chief Security Officer	4%	6%	13%
Chief Financial Officer	3%	3%	5%
Chief Marketing Officer/VP	2%	1%	3%
Human Resources VP	1%	1%	6%
Other	25%	21%	11%
n/a	3%	25%	0%

Growing program maturity. Have privacy professionals advanced the overall maturity of their privacy programs in the last five years? According to self assessments the answer is yes, but there is still much room for continued growth in the coming years. In 2005, 10 percent of respondents rated the privacy maturity of their organizations at the lowest tier —“pre-stage” where a privacy program had not been established. This year, that number shrank to six percent. In 2005, a large majority—67 percent—rated themselves in the three middle tiers of maturity. Today that number had dropped to 57 percent. Those rating their organizations at the highest stage of maturity have correspondingly risen from 23 percent in 2005 to a significantly higher 34 percent today.

Chart 16: Privacy Program Maturity



Estimated Maturity of Privacy Programs	2005	2010
Pre-stage: Privacy program has not been established as a unit within the company.	10%	6%
Early stage: Privacy program is just starting to become staffed and organized.	21%	8%
Middle stage: Privacy program is in existence and is starting to launch key initiatives.	20%	28%
Late middle stage: Privacy program is starting to evaluate the effectiveness of key initiatives.	26%	21%
Mature stage: Privacy program is in maintenance mode focusing on program evaluation and refinement.	23%	34%

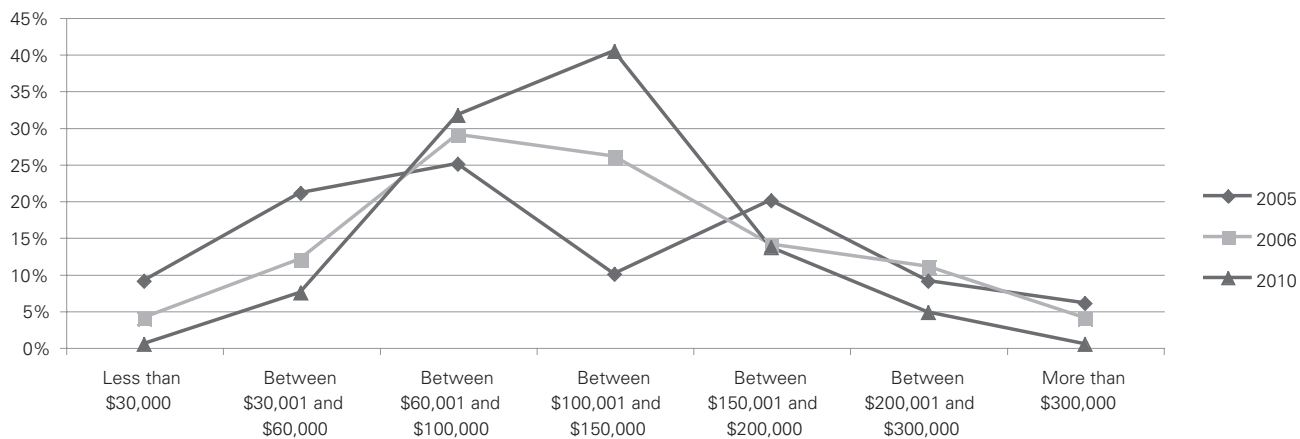
Salary

Few of the data points the IAPP gathers each year elicit as much anticipation and interest as salary range. What is a reasonable expectation for the compensation of today's privacy professional? How does compensation vary across industry sector, organizational size and program maturity? What effects have broader market dynamics exerted upon the privacy arena? The survey analysis reveals, among other findings, a 'normalization' of earnings.

Approaching a normal distribution. Our original round of surveys from 2003 through 2006 reflected a profession in its infancy: salary data points of a great degree

of variance and few reliable patterns or relationships. There has been a noteworthy change in 2010: the semblance of a bell curve. When asked to choose from among five ranges where their salary best fit, 40 percent of respondents chose a single range, \$100,001 to \$150,000. The shares of the salary ranges on either side of this midpoint sharply declined. This suggests that a more mature market has evolved where privacy professionals' starting salaries and future raise expectations are more predictable.

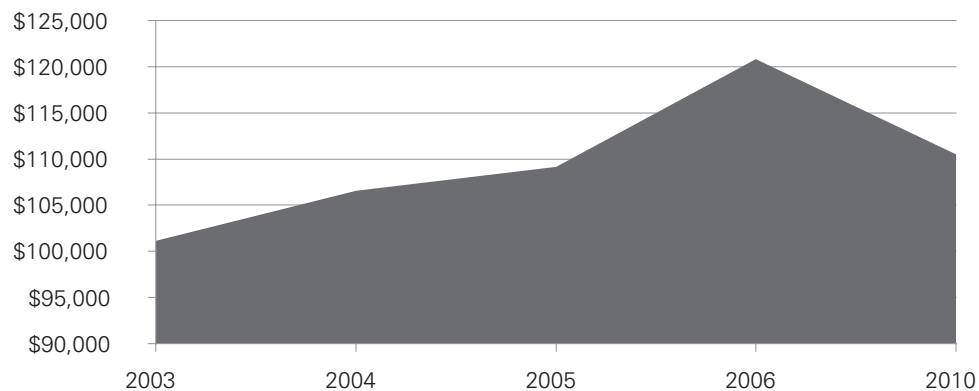
Chart 17: Salary Ranges



Salary Ranges	2005	2006	2010
Less than \$30,000	9%	4%	0%
Between \$30,001 and \$60,000	22%	12%	7%
Between \$60,001 and \$100,000	25%	29%	32%
Between \$100,001 and \$150,000	20%	26%	40%
Between \$150,001 and \$200,000	10%	14%	14%
Between \$200,001 and \$300,000	9%	11%	5%
More than \$300,000	6%	4%	0%
n/a	0%	0%	1%

First decline in the mean salary. In our last survey, the mean salary of privacy professionals jumped an impressive eleven percent. This jump had followed smaller, but positive gains in the preceding two years. Since then, something unique has happened: the mean salary has dropped almost back to 2005 levels. What has happened? During the economic downturn that unfolded in this time frame, were high-paying privacy executives replaced with more junior staff? There was certainly some anecdotal evidence of this occurring. But digging beneath the surface of the data unearths a different explanation.

Chart 18: Mean Salary



Year	Overall Mean
2003	\$101,146
2004	\$106,533
2005	\$109,146
2006	\$120,840
2010	\$110,476

What explains the declining mean? One factor is the rising share of lower-paid associates and staff taking the survey—from a 15 percent share in 2006 to a 24 percent share in 2010. Such an increase at the lowest salary tier could bring down the entire average. Indeed, when looking at salary change at each position level, every level shows an increase in the past five years. Between 2005 and 2010, for example, the overall mean salary increased only 1.2 percent—from \$109,146 to \$110,476. But the change in salary at each position level rose at least five percent, and for two positions, over 15 percent. This seeming contradiction can only occur if proportionately more lower-paid people are taking the survey.

Positions of Respondents	2005 Mean	2010 Mean	Change	%
Senior Executive	\$179,400	\$188,150	8,750	5%
Vice President	\$132,000	\$154,779	22,779	17%
Director	\$114,200	\$122,473	8,273	7%
Manager	\$78,200	\$98,879	20,679	26%
Associate/Staff	\$77,600	\$82,227	4,627	6%

Lessening importance of organization size. The disparity between the pay of privacy professionals working in small versus large organizations has been distinct in the past. In 2005, for example, there was a roughly \$30,000 gap in average pay between the largest and smallest organizations. Today, this gap has been cut in half. In fact, the average 2010 salaries for organizations with between 500 and 5,000 employees was actually higher than privacy salaries in organizations employing 5,001 to 75,000. This indicates a potential maturing labor market for privacy professionals, with greater transparency in salaries and mobility of professionals.

Number of Employees at Respondent Organizations	2005 Mean	2010 Mean	Change	%
fewer than 500	\$98,300	\$101,054	2,754	3%
500 to 1,000	\$95,900	\$112,687	16,787	18%
1,001 to 5,000	\$107,200	\$113,028	5,828	5%
5,001 to 25,000	\$119,700	\$108,589	-11,111	-9%
25,001 to 75,000	\$119,500	\$108,473	-11,027	-9%
more than 75,000	\$125,700	\$115,547	-10,153	-8%

Lessening importance of privacy maturity. Does the level of maturity of an organization's privacy program have an impact on privacy salaries? Earlier results suggested it did, with a positive correlation between maturity and salary. This correlation has since weakened. While average salaries reported this year maintained a positive correlation from the pre-stage of maturity through the late-middle stage, the average salary for those in the most mature programs—now accounting for 34 percent of all responding organizations—was below that achieved by those working at middle and late-middle stage organizations. This is a significant departure that also may suggest a maturing labor market for privacy, where organizations of all maturity levels compete on more level footing for the top talent.

Organizational Privacy Maturity	2005 Mean	2010 Mean	Change	%
Pre-stage	\$102,800	\$104,950	2,150	2%
Early	\$103,900	\$105,382	1,482	1%
Middle	\$110,000	\$110,394	394	0%
Late middle	\$112,600	\$115,539	2,939	3%
Mature	\$112,100	\$107,215	-4,885	-5%

Inconclusive variance in salary by sector. Does individual earning power vary based upon the choice of industry sector? The answer seems to be yes if working in government or healthcare, where average salaries have remained the lowest since we began measuring privacy salaries. But even in these two areas, many privacy professionals may work in positions that require responsibilities and experiences that are not directly transferable to another sector. Moreover, the chart below suggests a wide variance in average salaries. But in many cases, the number of data points is below the threshold required for a statistically reliable comparison.

Sectors of Respondents	2003 Mean	2006 Median	2010 Mean	Difference Between High and Low	% Change
services	\$110,060		\$149,688	\$39,628	36%
pharmaceuticals		\$129,000	\$139,410	\$10,410	8%
web			\$135,667	\$ -	0%
other	\$118,660		\$133,129	\$14,469	12%
professional services	\$117,000	\$135,000	\$130,909	\$18,000	15%
technology	\$120,170		\$125,610	\$5,440	5%
retailing	\$102,500	\$102,000	\$125,500	\$23,500	23%
hospitality		\$127,000	\$118,889	\$ 8,111	7%
telecom	\$105,000	\$101,000	\$111,705	\$10,705	11%
manufacturing	\$138,750	\$98,500	\$110,833	\$40,250	41%
automotive	\$125,000	\$120,000	\$109,000	\$16,000	15%
financial services		\$130,000	\$106,867	\$23,133	22%
education			\$104,471	\$ -	0%
healthcare	\$91,940	\$88,000	\$97,760	\$9,760	11%
government	\$ 95,880	\$99,000	\$95,735	\$3,265	3%

Do years of business and privacy experience influence salary? As in past years, we found the general answer to this question was “yes”, as indicated by the positively sloped line in the accompanying charts. But the wide variance of data points indicates there is a great degree of variance and weak relationship of these variables. Clearly, many other factors, such as those explored in this report, are as much or more of a factor than years of experience.

Chart 19: Years of Business Experience

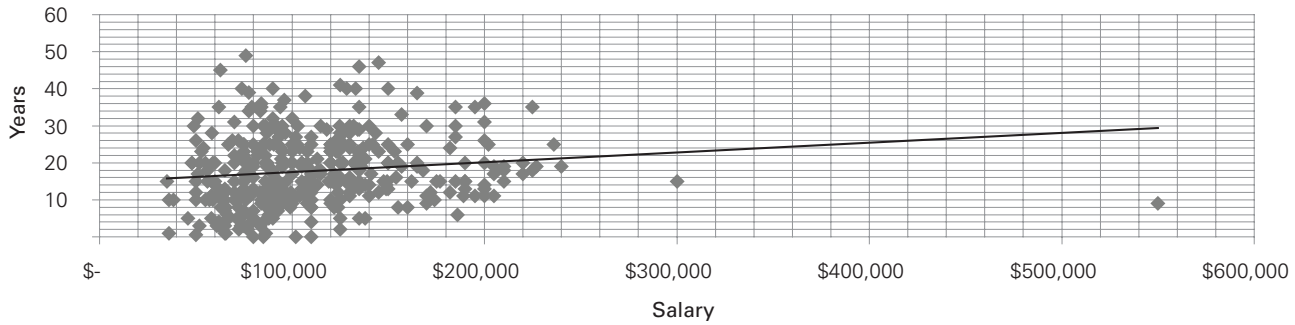
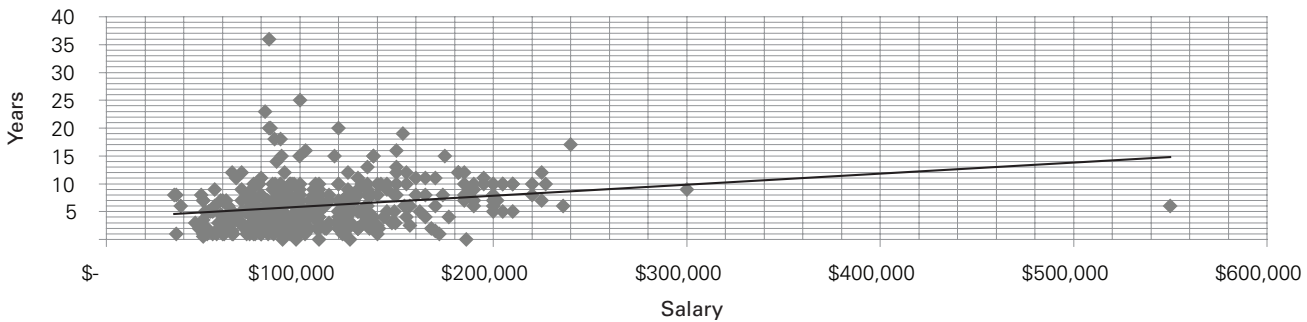


Chart 20: Years of Privacy Experience



Finally, to expand the privacy compensation analysis we asked additional questions about income expectations, rewards and amounts. Sixty percent of respondents indicated that they expected to receive a bonus in 2009, but only 23 percent expected to be compensated in stock options, warrants or shares. With regard to bonuses, the most important factor determining bonus rewards and amounts was overall company performance, cited by 43 percent of respondents. Meeting personal objectives followed at 33 percent, with business-unit performance trailing at 21 percent. Just over half of respondents believe they are compensated fairly, while just over one-quarter think they are underpaid and only five percent believe they are overpaid.

IV. Appendix: Survey Questions

1. What organizational level best describes your current position?

- a. Associate/Staff
- b. Manager
- c. Director
- d. Vice President
- e. Senior Executive
- f. Other

2. Is this a full-time position?

- a. Yes
- b. No
- c. n/a

3. Check the primary person within your organization to whom you or your privacy leader reports.

- a. CEO/Executive Committee
- b. Chief Financial Officer
- c. General Counsel
- d. Chief Information Officer
- e. Compliance/Ethics Officer
- f. Chief Marketing Officer/VP
- g. Human Resources VP
- h. Chief Security Officer
- i. Chief Risk Officer
- j. n/a
- k. Other

4. Check the secondary person within your organization to whom you or your privacy leader reports. (Leave blank if you do not have a secondary or dotted-line reporting relationship.)

- a. CEO/Executive Committee
- b. Chief Financial Officer
- c. General Counsel
- d. Chief Information Officer
- e. Compliance/Ethics Officer
- f. Chief Marketing Officer/VP
- g. Human Resources VP
- h. Chief Security Officer
- i. Chief Risk Officer
- j. n/a
- k. Other

5. Indicate the additional formal or informal (“dotted-line”) reporting relationships you have within your organization. Please check all that apply.

- a. CEO/Executive Committee
- b. Chief Financial Officer
- c. General Counsel
- d. Chief Information Officer
- e. Compliance/Ethics Officer
- f. Chief Marketing Officer/VP
- g. Human Resources VP
- h. Chief Security Officer
- i. Chief Risk Officer
- j. n/a
- k. Other

6. Gender

- a. Female
- b. Male

7. In addition to privacy-related responsibilities, what other job functions do you perform in your organization? Please check all that apply.

- a. Corporate ethics
- b. Corporate law
- c. Corporate marketing and CRM
- d. General consulting
- e. General management
- f. Government relations
- g. Human resources
- h. Information security
- i. Information technology
- j. Internal auditing
- k. Public relations
- l. Regulatory compliance
- m. Records management
- n. Webmaster (Web site management)
- o. Other

8. What industry or business groups best define your organization? Please check all that apply.

- a. Automotive
- b. Education
- c. Financial Services
- d. Government
- e. Healthcare
- f. Hospitality and Leisure
- g. Manufacturing
- h. Pharmaceuticals
- i. Professional Services
- j. Retailing
- k. Services
- l. Telecommunications
- m. Technology and Software
- n. Web Merchant
- o. Other

9. Your organization has employees located in: Please check all that apply.

- a. U.S.
- b. Canada
- c. Europe
- d. Asia-Pacific
- e. Latin America (including Mexico)
- f. Other

10. What is the worldwide headcount of your organization?

- a. fewer than 500 employees
- b. 500 to 1,000 employees
- c. 1,001 to 5,000 employees
- d. 5,001 to 25,000 employees
- e. 25,001 to 75,000 employees
- f. more than 75,000 employees

11. What is the jurisdiction of your privacy office? Please check all that apply.

- a. Global
- b. U.S.
- c. Canada
- d. Europe
- e. Asia-Pacific
- f. Latin America (including Mexico)
- g. Other

12. Please indicate the maturity stage of your company's privacy program. Select the option that in your opinion best describes the activities associated with your company's privacy office or initiatives.

- a. Pre-stage: Privacy program has not been established as a unit within the company.
- b. Early stage: Privacy program is just starting to become staffed and organized.
- c. Middle stage: Privacy program is in existence and is starting to launch key initiatives.
- d. Late middle stage: Privacy program is starting to evaluate the effectiveness of key initiatives.
- e. Mature stage: Privacy program is in maintenance mode focusing on program evaluation and refinement.
- f. n/a

13. If you were to advance within your own organization, to which role would you most likely be promoted?

- a. Senior lawyer
- b. Senior compliance professional
- c. Head of security and privacy
- d. Not sure/there would need to be a new role created
- e. n/a
- f. Other

14. If you were to advance within your own organization, to which role would you most likely aspire?

- a. Senior lawyer
- b. Senior compliance professional
- c. Head of security and privacy
- d. Not sure/there would need to be a new role created
- e. n/a
- f. Other

15. The following list contains 10 core activities that typically are conducted by privacy professionals within an organization. Please check those that you currently spend most of your time on.

- a. Developing privacy strategy
- b. Analyzing regulations
- c. Performing risk assessments and data inventories
- d. Developing and implementing policies and guidance
- e. Developing and performing training and communications
- f. Monitoring and measuring compliance (enforcement)
- g. Reporting to management
- h. Administration (personal and budget)
- i. Advising/consulting to the organization
- j. Responding to incidents
- k. Other

16. From the following list of 10 core activities that typically are conducted by privacy professionals within an organization, please check those that you believe you should be spending most of your time on.

- a. Developing privacy strategy
- b. Analyzing regulations
- c. Performing risk assessments and data inventories
- d. Developing and implementing policies and guidance
- e. Developing and performing training and communications
- f. Monitoring and measuring compliance (enforcement)
- g. Reporting to management
- h. Administration (personal and budget)
- i. Advising/consulting to the organization
- j. Responding to incidents
- k. Other

17. Do you envision your responsibilities changing in the next year or two?

- a. Yes
- b. No
- c. n/a

18. In which of these areas will you be spending more time in the coming year? Please check all that apply.

- a. Compliance
- b. Security
- c. Information risk or governance
- d. General legal
- e. Other

19. My current salary (base pay) is within the following range (check only one):

- a. Less than \$30,000
- b. Between \$30,001 and \$60,000
- c. Between \$60,001 and \$100,000
- d. Between \$100,001 and \$150,000
- e. Between \$150,001 and \$200,000
- f. Between \$200,001 and \$300,000
- g. More than \$300,000
- h. n/a

20. Do you expect to receive stock options, warrants or shares in 2009?

- a. no
- b. yes
- c. unsure
- d. n/a

21. Do you expect to receive a bonus as part of your annual compensation in 2009?

- a. yes
- b. no
- c. unsure
- d. n/a

22. If you responded yes to the previous question, indicate what will most likely determine your bonus in 2009. Please check all that apply.

- a. Overall company performance
- b. Meeting your specific objectives
- c. Performance of your business unit
- d. Other

23. Please express your belief about your compensation relative to others within your company.

My compensation is:

- a. Above others with similar experience, education and training within my company
- b. About equal to others with similar experience, education and training within the company
- c. Below others with similar experience, education and training within my company
- d. I do not want to express my opinion

About the IAPP

The International Association of Privacy Professionals (IAPP) is the world's largest association of privacy professionals, representing more than 6,700 members from businesses, governments and academic institutions across 52 countries.

The IAPP was founded in 2000 with a mission to define, promote and improve the privacy profession globally. We are committed to providing a forum for privacy professionals to share best practices, track trends, advance privacy management issues, standardize the designations for privacy professionals, and provide education and guidance on opportunities in the field of information privacy.

The IAPP is responsible for developing and launching the first broad-based credentialing program in information privacy, the Certified Information Privacy Professional (CIPP). The CIPP remains the leading privacy certification for many thousands of professionals around the world who serve the data protection, information auditing, information security, legal compliance and/or risk management needs of their organizations.

In addition, the IAPP offers a full suite of educational and professional development services and holds annual conferences that are recognized internationally as the leading forums for the discussion and debate of issues related to privacy policy and practice.

About MPC

Minnesota Privacy Consultants (MPC) helps multinational corporations, government agencies and other organizations with research and services focused on operationalizing their governance of personal data. Founded in 2006, MPC serves client organizations in the financial services, insurance, healthcare, pharmaceutical, government, retail, technology, education, consumer services, information services, energy, agribusiness, and manufacturing industries.

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