BENCHMARKING SALARIES OF FORECASTING PROFESSIONALS

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It is not uncommon to hear the frustration about turnover of personnel in the forecasting and planning profession. “We invest a lot of money in training them, but they leave.” This may be because their salaries are not competitive, while other companies offer much more. This latest IBF benchmarking study of salaries in the forecasting and planning profession can provide some information on what other companies are paying.

**OBJECTIVE OF THIS STUDY**

The objective of this study is to benchmark the salaries of forecasting professionals by rank, which includes Forecast Analyst, Senior Forecast Analyst, Forecast Manager, Senior Forecast Manager, Director of Forecasting, and Vice President of Forecasting. For simplicity, we equated Demand Planner as Forecast Analyst, Sr. Demand Planner as Sr. Forecast Analyst, Demand Planning Manager as Forecast Manager, etc. Salaries are benchmarked:

1. When all industries are combined
2. By industry: Consumer Products and Food & Beverages
3. By region
4. By the size of a company
5. By academic background
6. By the software they use

**DATA USED**

Unlike the survey data used in the past, data used in this study are of those who were looking for a job in the field and contacted the recruiting firm, LifeWork Search, which specializes in placing forecasting professionals. Their
Managing Director, Jason Breault, is also IBF’s Boston Chapter president. At the time of registering with this firm, job seekers gave information about their background, including their salary. In the survey data, respondents know their salary, but have to guess for others. This is because in the survey questionnaire, respondents are asked to list the salary of a Forecast Analyst, a Senior Forecast Analyst, a Forecast Manager, a Director of Forecasting, and a Vice President of Forecasting. If the respondent is a Forecast Analyst, he or she knows for sure his or her salary, but for others, he or she may have to guess. Therefore, information collected from the recruiting firm can be considered superior and more accurate, as there is no guessing.

The total number of observations was 536. As you’ll see, salaries may vary from region to region, from industry to industry, by the size of the company, by the academic background of an individual, and by the software used. The data used here capture all of this information, and are of 2012.

**SALARIES OF FORECASTING PROFESSIONALS**

(When All Industries Are Combined)

When all the industries are combined, the average salary of a Forecast Analyst is $79,884, a Senior Forecast Analyst, $85,133, a Forecast Manager, $109,370, a Senior Forecast Manager, $112,736, a Director of Forecasting, $173,394, and a Vice President of Forecasting, $256,875. (See Table 1) If a person received any bonus, it was factored in these numbers. Although the salary difference between a Forecast Analyst and a Senior Forecast Analyst and between a Forecast Manager and a Senior Forecast Manager is minor, there is a significant
BENCHMARKING SALARIES OF FORECASTING PROFESSIONALS

SALARIES OF FORECASTING PROFESSIONALS BY INDUSTRY
(Consumer Products and Food & Beverages)

SALARIES OF FORECASTING PROFESSIONALS BY REGION
BENCHMARKING SALARIES OF FORECASTING PROFESSIONALS

SALARIES OF FORECASTING PROFESSIONALS BY THE SIZE OF A COMPANY

To determine whether the size of a company makes any difference, we broke down the forecasters in two groups: forecasters working in companies with annual sales revenues of less than $1 billion and in those with revenues of $1 billion and higher. Their average salaries are given in Table 4. It shows that, in each rank, the salaries of forecasters in large companies are higher than those in small companies. The difference is more significant at a higher rank than at a lower rank. For example, the salaries large companies pay for the rank of a Director of Forecasting is 20% higher than small companies.

SALARIES OF FORECASTING PROFESSIONALS WITH DIFFERENT ACADEMIC BACKGROUNDS

To see whether a forecaster's academic background makes a difference, we broke down the data based on three degrees: associates, bachelor, and masters. There were a few forecasters who had just a high school diploma. Also, there were some who had a Ph.D. Since their numbers were small, we excluded them from this study. The data show that academic background makes a significant difference. In each rank, a forecaster with a bachelor degree makes much more money than with an associate degree, and with a master degree more than with a bachelor degree. (See Table 5)
To see if the software they use makes any difference in the salary, we broke down the data into six groups: JDA (comprised of JDA, Manugistic, and i2 Technology), SAP (APO), Oracle (Demantra), Logility, Excel, and others. It appears in this study, by and large, the users of JDA draw more salary than others. (See Table 6) The interesting point is that there are still many companies that do not use any forecasting software other than Excel. Many people who claimed they were using an ERP system for forecasting, we later found out by direct communication that they were using nothing more than Excel. For those that use common ERP systems such as SAP or Oracle, we asked whether they were using their respective advanced planning system add-ons such as SAP “APO” or Oracle “Demantra” for forecasting. Often the answer was “no,” implying they were just extracting data out of their ERP, manipulating and preparing forecasts in Excel, and then uploading it back to their ERP.

EMPLOYERS’ PREFERENCE

There seems to be no consensus among hiring managers on the importance of experience in using forecasting tools, according to Jason Breault. However, when you talk to them, you get the impression that deep down, hiring managers prefer a candidate with some experience in implementing and/or using a forecasting tool (though, not any specific one), over the ones who don’t. Mr. Breault goes on to say that companies that have invested in various forecasting tools are often hesitant to hire a candidate without any experience.
BENCHMARKING
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PROFESSIONALS

DEMAND FOR FORECASTING PROFESSIONALS
BENCHMARKING SALARIES OF FORECASTING PROFESSIONALS

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### TABLE 1

**SALARIES OF FORECASTING PROFESSIONALS**  
All Industries Combined

<table>
<thead>
<tr>
<th>RANK</th>
<th>SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast Analyst</td>
<td>$79,884</td>
</tr>
<tr>
<td>Sr. Forecast Analyst</td>
<td>$85,133</td>
</tr>
<tr>
<td>Forecast Manager</td>
<td>$109,370</td>
</tr>
<tr>
<td>Sr. Forecast Manager</td>
<td>$112,736</td>
</tr>
<tr>
<td>Director of Forecasting</td>
<td>$173,394</td>
</tr>
<tr>
<td>VP of Forecasting</td>
<td>$256,875</td>
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</tbody>
</table>

Notes:  
1. Salary data is $ USD.  
2. The number of observations of VP of Forecasting was only two.

### TABLE 2

**SALARIES OF FORECASTING PROFESSIONALS**  
Consumer Products and Food & Beverages

<table>
<thead>
<tr>
<th>Consumer Products (Salary)</th>
<th>Food &amp; Beverages (Salary)</th>
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# TABLE 3

## SALARIES OF FORECASTING PROFESSIONALS

By USA Region

<table>
<thead>
<tr>
<th>RANK</th>
<th>FAR WEST (SALARY)</th>
<th>GREAT LAKES (SALARY)</th>
<th>MIDEAST (SALARY)</th>
<th>NEW ENGLAND (SALARY)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>RANK</th>
<th>PLAINS (SALARY)</th>
<th>ROCKY MOUNTAINS (SALARY)</th>
<th>SOUTHEAST (SALARY)</th>
<th>SOUTHWEST (SALARY)</th>
</tr>
</thead>
</table>

By USA Region (continued)
### TABLE 4

**SALARIES OF FORECASTING PROFESSIONALS**

By Size of Company

<table>
<thead>
<tr>
<th>RANK</th>
<th>COMPANIES WITH LESS THAN $1 BILLION SALES REVENUE (SALARY)</th>
<th>COMPANIES WITH $1 BILLION OR MORE SALES REVENUE (SALARY)</th>
<th>COMPANIES WITH LESS THAN $1 BIL. VS. MORE THAN $1 BIL. SALES REVENUE (% CHANGE)</th>
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### TABLE 5

**SALARIES OF FORECASTING PROFESSIONALS**

Based on the Academic Backgrounds

<table>
<thead>
<tr>
<th>RANK</th>
<th>ASSOCIATE (SALARY)</th>
<th>BACHELOR (SALARY)</th>
<th>MASTER (SALARY)</th>
<th>ASSOCIATE VS. BACHELOR (% CHANGE)</th>
<th>BACHELOR VS. MASTER (% CHANGE)</th>
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### TABLE 6

**SALARIES OF FORECASTING PROFESSIONALS**
Based on the Software They Use

<table>
<thead>
<tr>
<th>RANK</th>
<th>JDA (SALARY)</th>
<th>SAP (SALARY)</th>
<th>ORACLE (SALARY)</th>
<th>LOGILITY (SALARY)</th>
<th>EXCEL (SALARY)</th>
<th>OTHERS (SALARY)</th>
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