




2024

CISO Compensation

Benchmark Summary Report





This summary report provides high-level insights from our 2024 CISO Compensation Benchmark Report.

The complete 2024 CISO Compensation Benchmark Report is a comprehensive, 30-page breakdown that offers a more detailed set of data and is available to IANS clients through the IANS Portal or to non-clients upon request by contacting us at info@iansresearch.com.

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Executive Summary

Following an active market for CISOs in 2021 and 2022, the demand for top security talent softened in 2023 and remained calm through the first half of 2024. During that period, many companies tightened budgets and adopted more-cautious hiring practices, resulting in a quieter market with reduced CISO rotation and fewer aggressive counteroffers.

To find out how these conditions impacted compensation for CISOs, IANS and Artico Search conducted their fifth annual CISO Compensation and Budget Research Study. Data collection for this report took place from April through August 2024, with responses gathered from 755 CISOs, 699 of which work in the U.S. or Canada. Their insights into compensation, employment situation and sentiments toward compensation form the foundation of this report.

The report contains compensation data and trends for CISOs in the U.S. and Canada from organizations across 11 sectors of varying sizes. Full details on the methodology and a breakdown of the sample are offered in the methodology section of this report.

¹ Security budget trends for this year are detailed in the 2024 Security Budget Benchmark Report, published by IANS and Artico Search in September 2024.

CISO turnover rate remained low

With fewer companies initiating searches for a new CISO, annual rotation dropped from 21% in 2022 to 12% in 2023. In the first half of 2024, CISO movement remained low, reaching an annualized rate of only 11%. As a result of low movement, fewer CISOs benefited from incentives associated with changing employers.

Merit increases fell marginally

Seventy percent of CISOs in the sample indicated their wage increase was merit-based. The average merit increase was 5.6% to the base salary and 6.3% to total compensation—a point lower than the average wage bump in 2023. With reduced market movement, employers generally feel less pressure to raise wages to attract or retain talent, as employees are more likely to stay in their current positions.

High-earning CISOs have vast and varied experiences

Two-thirds of CISOs with top-quartile compensation have at least eight years' tenure, 69% have held the top security job at multiple companies and 61% have cross-industry experience. Our CISO compensation analysis found tenured CISOs (with eight to 15 years of CISO experience) who held CISO or senior security leader positions at more than two companies enjoy a 61% compensation advantage over CISOs who haven't changed employers during their tenure as CISO.

For the same group, compensation is 27% higher if their experience spans at least three industries compared to CISOs who remained siloed in the same sector.

30% of CISOs' raises stemmed from reasons beyond merit

For 7% of CISOs, wage increases were due to switching employers, while 4% received a retention incentive. Both situations led to an average boost to total compensation of 31%, roughly five times the average merit increase, albeit the majority is equity-based. For 7%, the primary reason was a promotion, with an average total compensation increase of 17%. Unlike increases due to a company change or retention incentive, raises for promotions tend to be primarily cash-based.

The average CISO total compensation exceeds \$500K

The average total compensation for U.S.-based CISOs in the sample is \$565,000 with a median of \$403,000. The top 10% receive comp packages that exceed \$1 million, and the top 1% start at \$3 million in total annual earnings. Compared to the average, these high earners receive substantially larger equity packages and performance-based bonuses.

The talent market is starting to strengthen

As of Q3 2024, experts at IANS and Artico Search are seeing changes in the CISO talent market, mainly driven by improving macroeconomic conditions and an 8% increase in security budgets this year, up from 6% in 2023. These conditions are favorable for the 75% of CISOs who are either actively considering or open to new opportunities.

CISOs' Merit Increases Drives 6.4% Wage Growth

The past 12 months have been quiet in terms of CISO rotation. In the 2024 survey, 11% of respondents changed employers, similar to the CISO turnover rate of 12% for 2023 and in stark contrast to 2022, when 21% of respondents made a job switch (see FIGURE 1).

With reduced market movement, employers generally feel less pressure to raise wages to attract or retain talent.



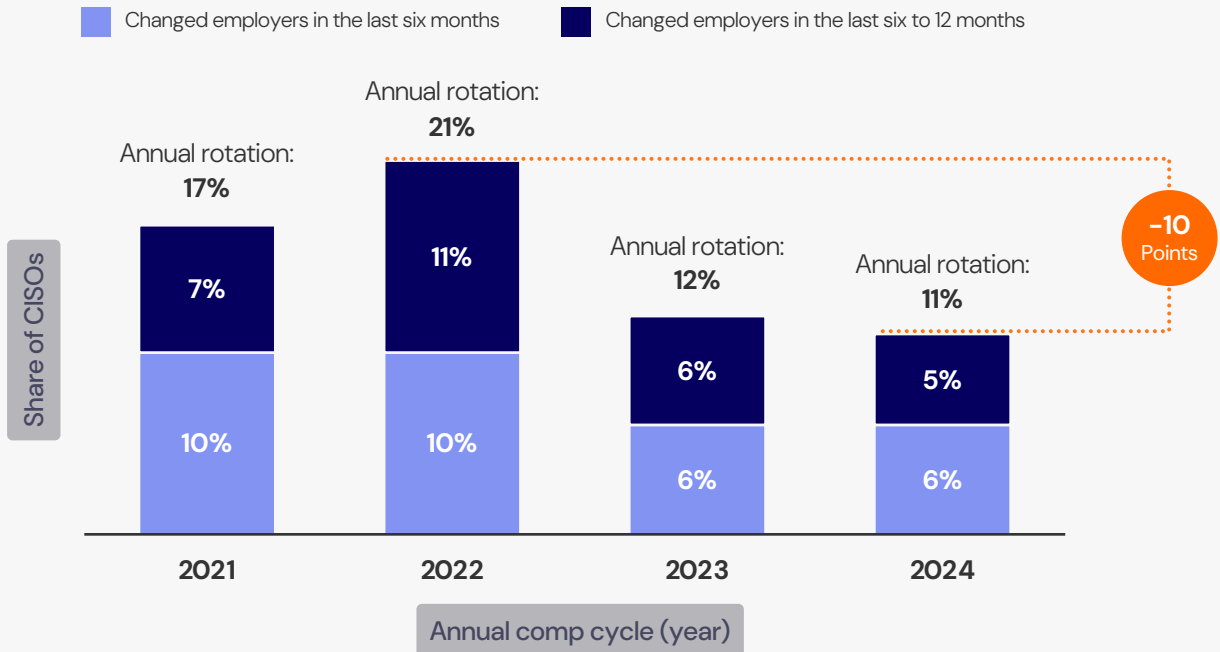
People have asked about salary depression in the security function, but we see no evidence of it. We are seeing modest increases, mostly merit increases, as CISOs are not changing jobs in large numbers like we've seen in previous years. Although the market is improving quarter after quarter, we are far from the previous environment in which CISOs regularly entertained multiple offers and counteroffers.

Steve Martano

FIGURE 1 Source: IANS & Artico Search

CISO Rotation Dropped 10 Points Since 2022

Share of CISOs who indicated they changed employers recently



Financial Incentives Remain for Switching, as well as for Staying Put

For 70% of CISOs, their latest comp increase was primarily merit-based. That leaves 30% of CISOs who indicated their wages grew for other reasons.

FIGURE 3 illustrates these reasons in a bubble chart, with the percentage of CISOs citing each reason as the top reason on the left side and the average comp increase shown on the right. The size of the bubbles represents the magnitude of the increase.

The largest average increases are linked to an employer change incentive or a retention incentive/counteroffer, in each case resulting in a 31% average boost to total compensation. This is followed by a promotion, one-time bonus and a change in scope of responsibilities.

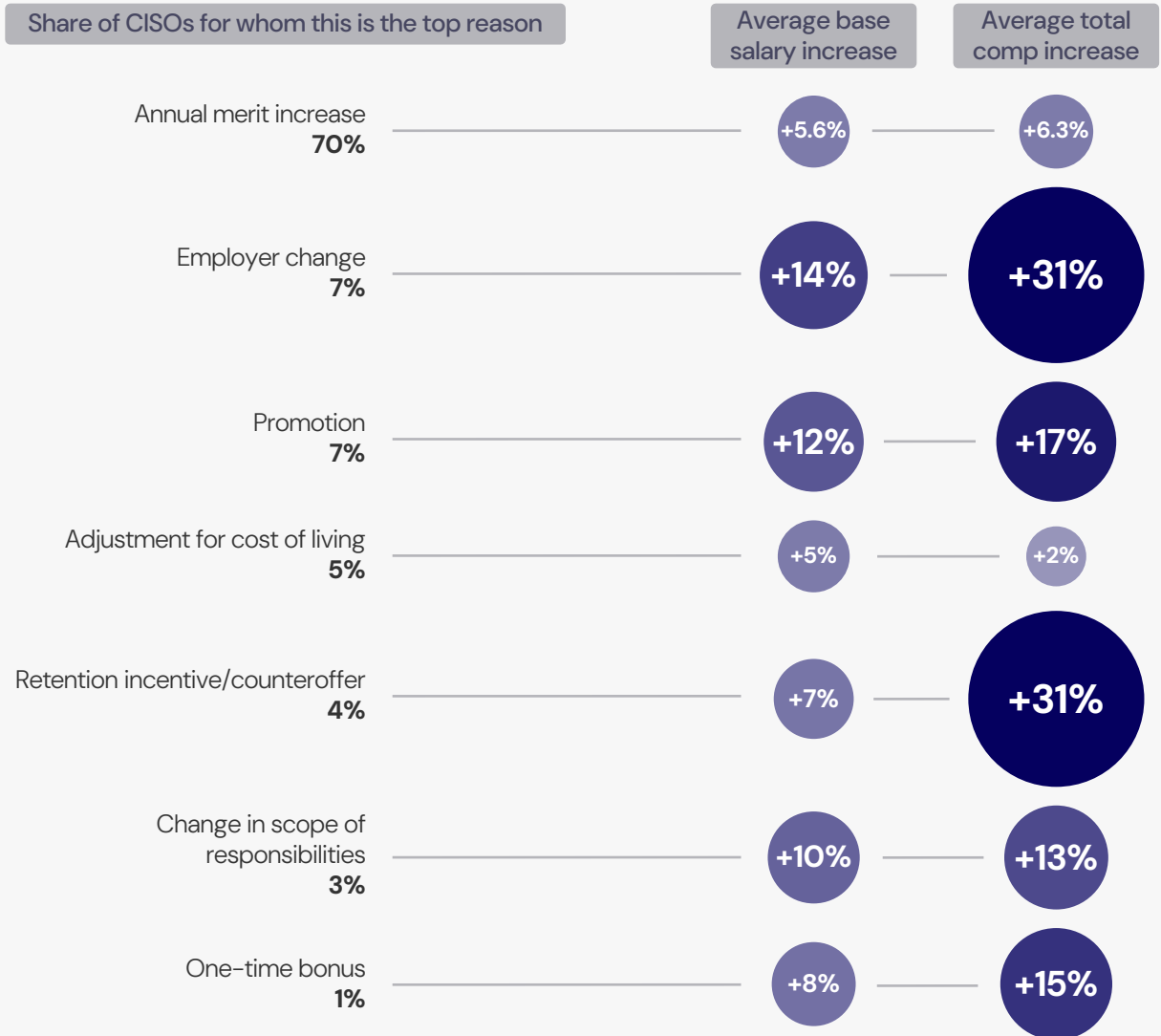
“ In today’s environment of cash preservation, we’re seeing companies utilize equity more often than cash as a negotiation and retention tool. Public companies are using equity to entice new security leaders and to retain them, privately held companies similarly leverage equity-rich packages to preserve EBITDA in preparation for a transaction.

Steve Martano

FIGURE 3 Source: IANS & Artico Search

The Biggest Pay Increases Come From Job Changes or Preventing Them

Top reasons for the most recent annual compensation increase



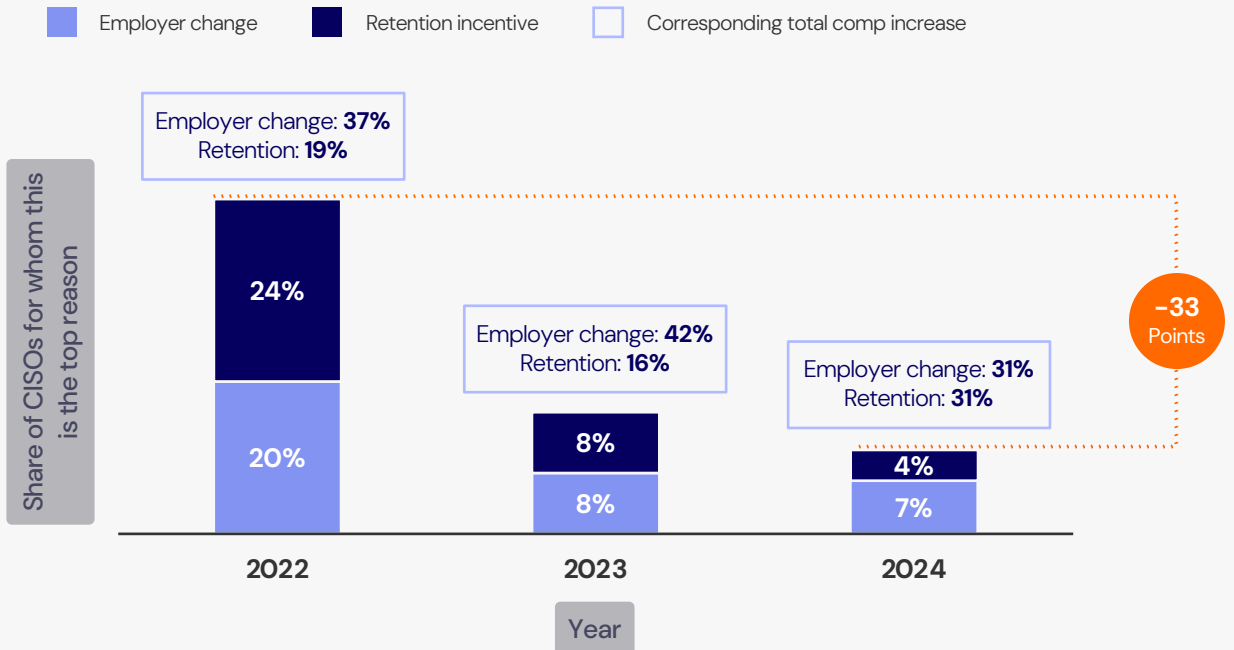
The three-year trend for CISOs who reported that changing employers or retention incentives were the primary drivers of their compensation increases reinforces the relative calm in the market observed in the CISO movement data presented earlier in the report (see FIGURE 5).

The average size of pay increases related to employer change and retention incentives was impacted less over the same period. In 2022, CISOs reported a total comp boost of 37% for changing employers and a 19% increase associated with retention offers, versus 31% and 31% in 2024, respectively.

FIGURE 5 Source: IANS & Artico Search

CISOs Citing Employer Change or Retention Incentives Dropped by 33 Points in 2 Years

Top reasons for the most recent annual compensation increase



CISO compensation changes show a mixed picture

FIGURE 7 compares compensation changes between various groups, including CISOs at small organizations with annual revenues of up to \$100 million and those at large companies with annual revenues exceeding \$4 billion. It shows CISOs at large firms are more likely to receive increases compared to their counterparts at smaller organizations, arguably due to the bigger pool of resources at large companies.

Also noteworthy is the data indicating remote-working CISOs tend to receive smaller compensation increases compared to their hybrid or office-based peers.

The data further demonstrates a different pattern in compensation increases between CISOs in the top pay brackets and those in the bottom 25%. High earners are more likely to receive increases exceeding 20%, while low earners tend to see modest raises, typically between 1% and 5%.

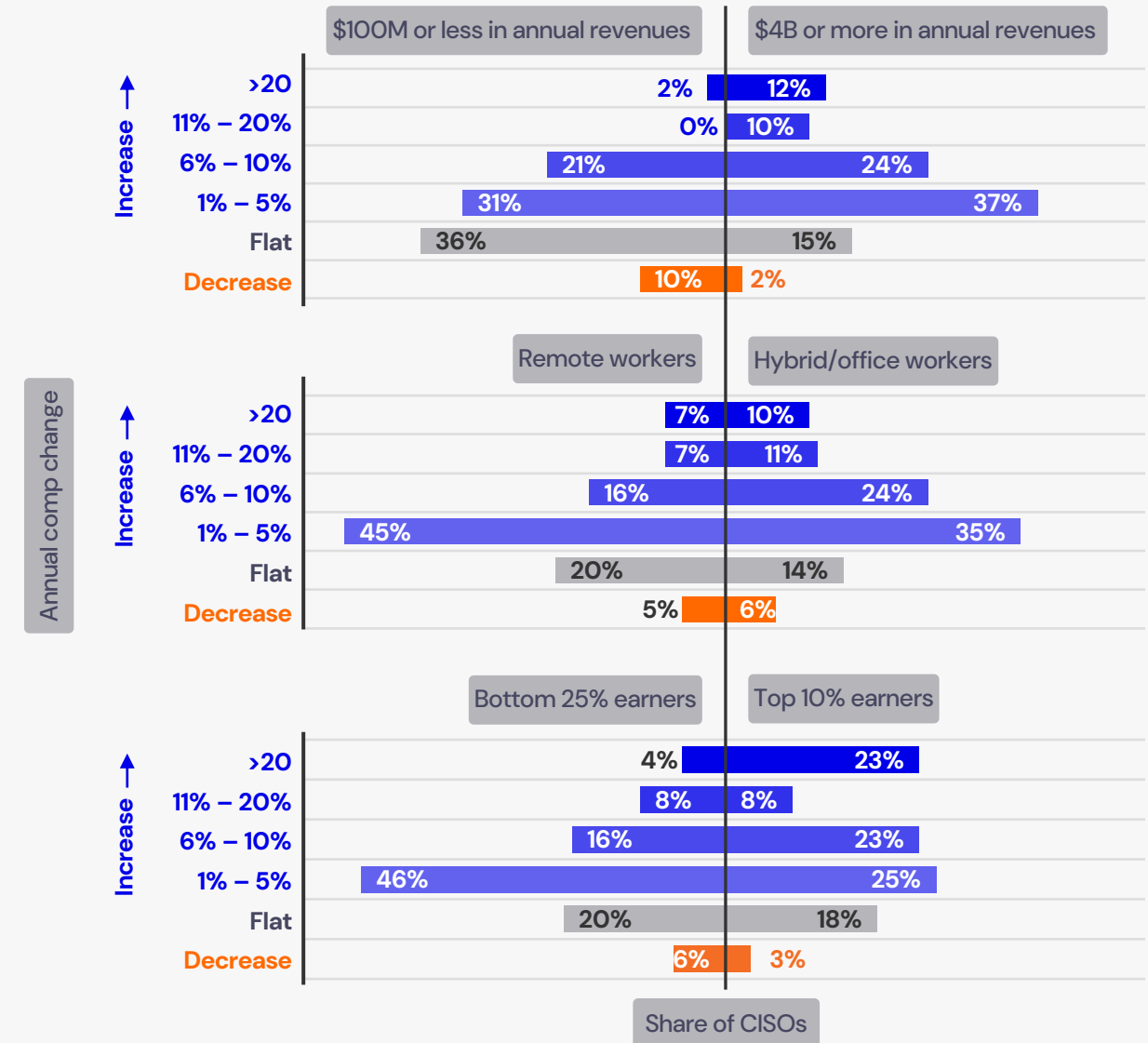
“ With the CISO function becoming more of a business function, we see fewer CISOs required to sit in front of a keyboard all day, every day. In our experience, most security leaders prefer a hybrid model where they can interface with leadership and their teams when most productive and work remotely when engaged in regular meetings.

— Steve Martano

FIGURE 7 Source: IANS & Artico Search

Annual Compensation Changes by Company Size, CISO Work Situation and Earnings Group

YOY change in total compensation



CISO Earnings Span a Wide Range

For CISOs working in the U.S., the average total compensation—defined as base salary plus annual target bonus and the value of annual equity—is \$565,000 with a median of \$403,000.

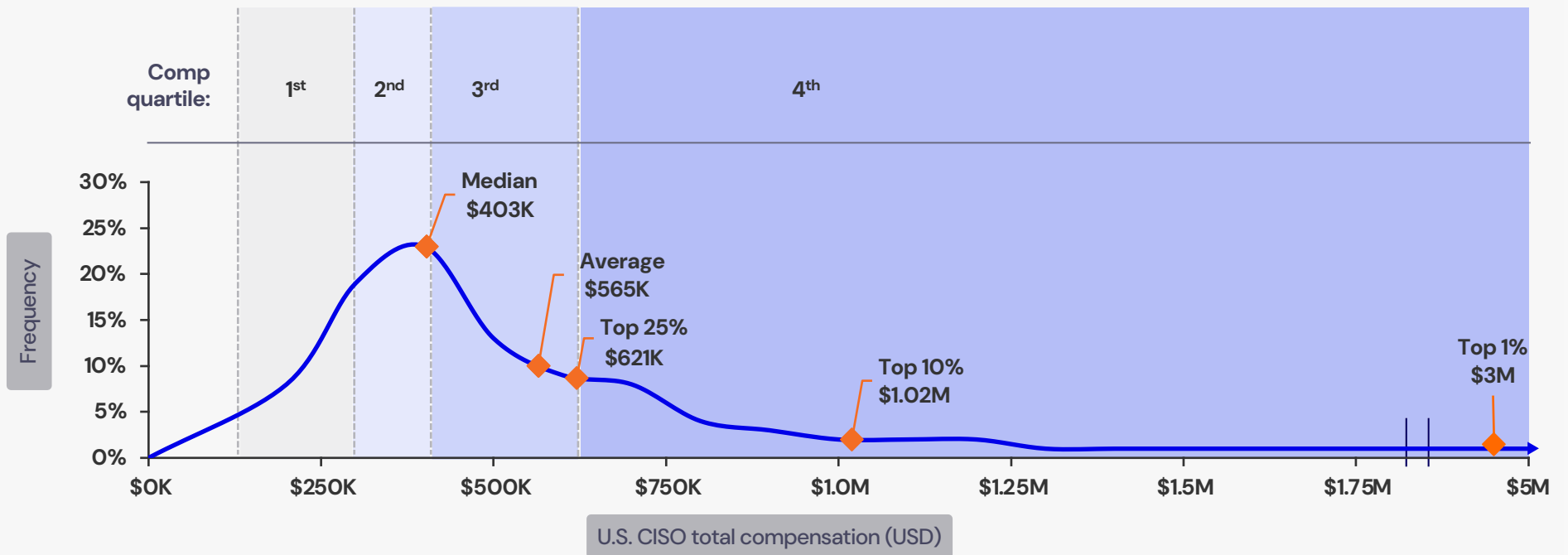
FIGURE 8 illustrates this, showing both the asymmetrical distribution curve for CISOs’ total compensation, as well as small comp ranges in the first quartile (the bottom 25%) and second quartile groups compared to those in the third quartile and especially the fourth quartile (the top 25%).

The range of total compensation for the top 25% earners starts at \$621,000 and exceeds \$10 million.

FIGURE 8 Source: IANS & Artico Search

U.S. CISOs’ Total Annual Income Spread

Total annual compensation (base salary, target bonus and equity) for U.S.-based CISOs



Compensation differs across sectors, geographies, experience and org levels

Over the past five years, financial services and tech firms have consistently ranked among the top three industries for CISO total compensation, and this year is no exception. Tech CISOs lead with an average total compensation of \$721,000, of which \$407,000 (56%) is cash compensation.

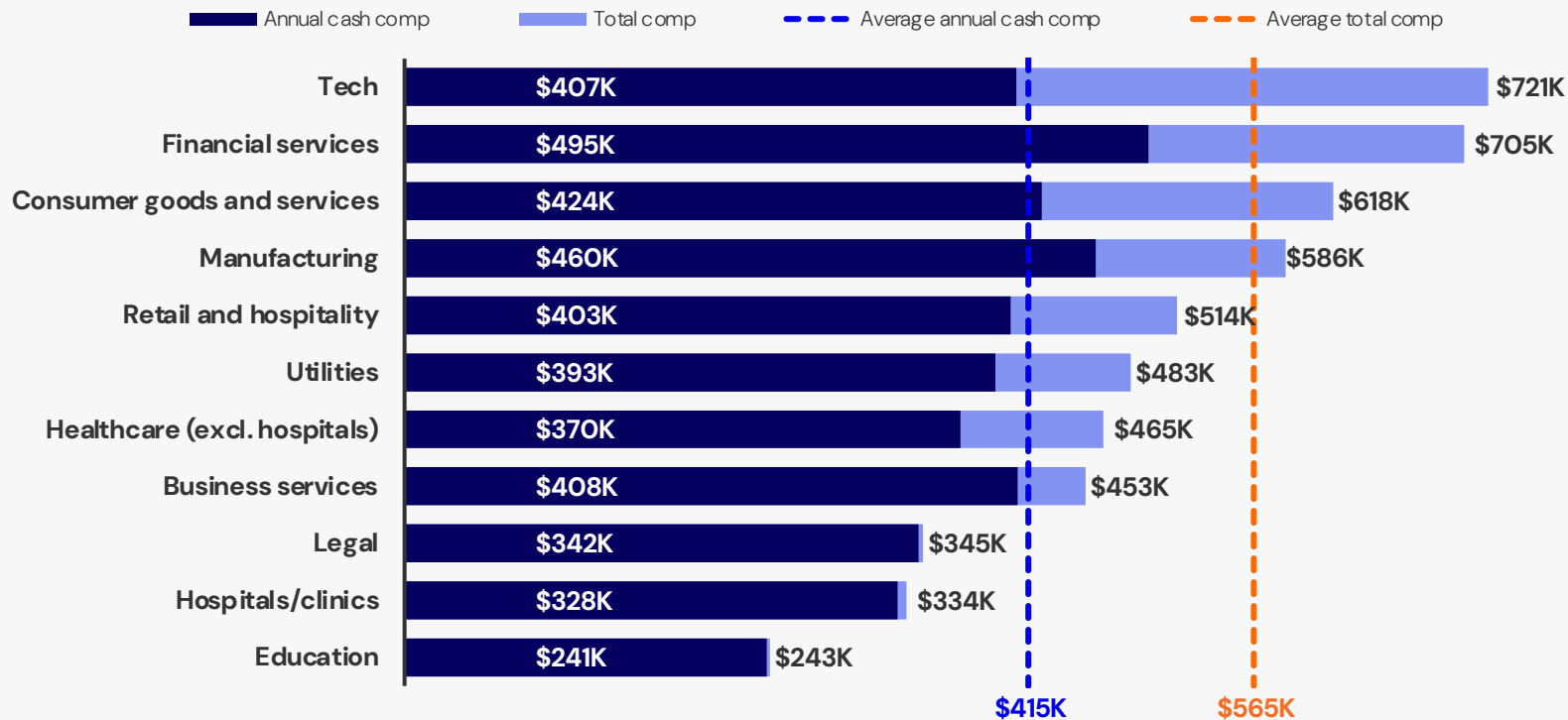
For the healthcare sector, we differentiated between hospital/clinics and healthcare companies (healthcare operations, healthcare services, health tech, health insurance, healthcare financial, medical devices and pharmaceuticals). The different business models and ownership types between these groups significantly impact CISO compensation levels. Healthcare CISOs generally receive higher cash compensation and equity packages compared to their counterparts in hospitals or clinics.

FIGURE 9

Source: IANS & Artico Search

CISOs in the Tech and Financial Services Lead in Average Total Compensation

Calculated annual cash compensation (base salary and target bonus) and annual total compensation (base salary, target bonus and equity) in USD



CISOs working the West and Northeast U.S. lead in compensation

Regional pay differences arise from variations in cost of living, talent market dynamics and the concentration of high-paying companies in the tech and finance sectors, concentrated in the West and Northeast regions of the U.S.

Among the four U.S. regions, CISOs based in the West have the highest total compensation, averaging \$695,000 (mostly driven by high comp packages in California and Washington). However, cash-based comp for West-based CISOs is lower than that for CISOs in the Northeast and more comparable to the compensation levels in the Central and Southeast regions.

Pay bands for CISOs working in Canada are generally lower than for those working in the U.S. (see FIGURE 11).



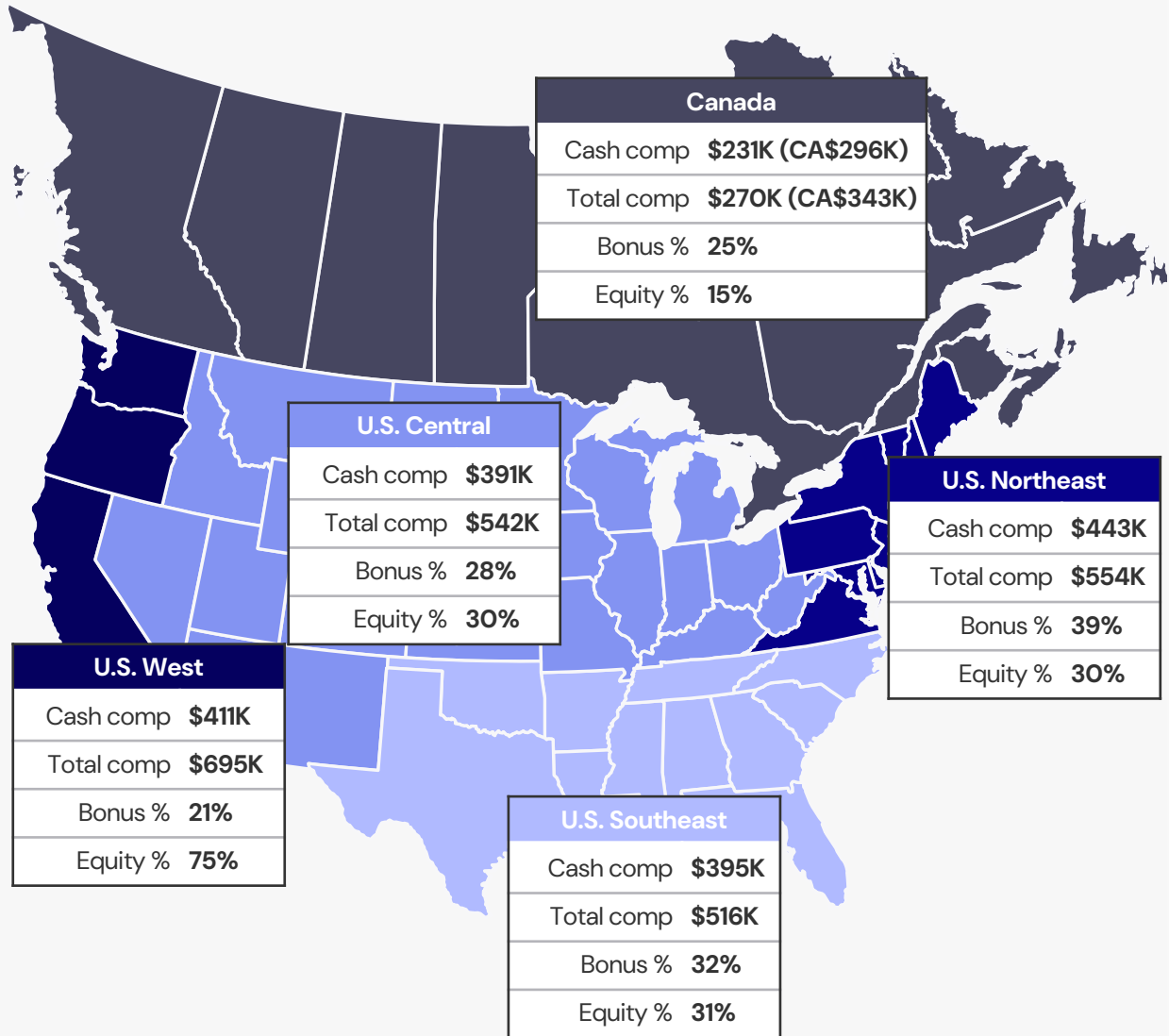
San Francisco is a major tech hub, New York is the financial capital of the country and North Carolina is a burgeoning hub for biotech and financial services, pulling talent from more expensive East Coast hubs like NYC.

Matt Comyns

FIGURE 11 Source: IANS & Artico Search

Regional Differences in CISO Compensation

All figures are based on the CISO's primary location of work. Figures are averages, in USD (unless otherwise specified) and rounded to thousands.



An emerging type of CISO that oversees both security and IT

Anecdotally, we have seen a convergence of IT and security in recent years, with CISOs increasingly assigned ownership over one or more IT functions. In our sample, this is the case for 220 CISOs, roughly 30% of the sample.

The most common IT responsibilities assigned to these CISOs include IT compliance (69% of CISOs with IT responsibilities), IT infrastructure (61%), IT architecture (58%), IT networking (58%) and IT operations (58%).

Fourteen percent of U.S.-based CISOs in the sample oversee all IT functions. Of these, a quarter work for companies with revenues exceeding \$1 billion

“ We continue to see a convergence of security and IT as organizations knock down barriers for tech and security programming. IT is becoming more commoditized and less complex while the security vendor universe continues to be expensive and dynamic.



Matt Comyns

CISO compensation packages increasingly include C-level benefits

This year, we included a question about additional remuneration benefits in the annual CISO Comp and Budget survey. In their responses, 40% of U.S.-based CISOs and 24% of CISOs in Canada indicated they are covered by their companies' D&O (Directors & Officers) insurance, which safeguards them against personal liability for claims made in their official capacity, covering legal fees, settlements and judgments. This represents an increase compared to what we've heard anecdotally in prior years.

“ Over the last ten years, we've consistently seen the security function elevated to a business function rather than a back-office cost center. Consequently, we're seeing CISOs command perks aligned with executive leadership team benefits. This may include severance clauses, being named on the D&O insurance and equity-heavy compensation packages.



Steve Martano

CISOs with rising comp are more satisfied

We analyzed CISOs' satisfaction with their compensation through the lens of the main reason behind their latest compensation change. As expected, among CISOs with no increase to their compensation, satisfaction is lower than that of CISOs who received raises.

Interestingly, the share of satisfied CISOs who bumped their compensation by changing employers is roughly the same as those who took a retention incentive.

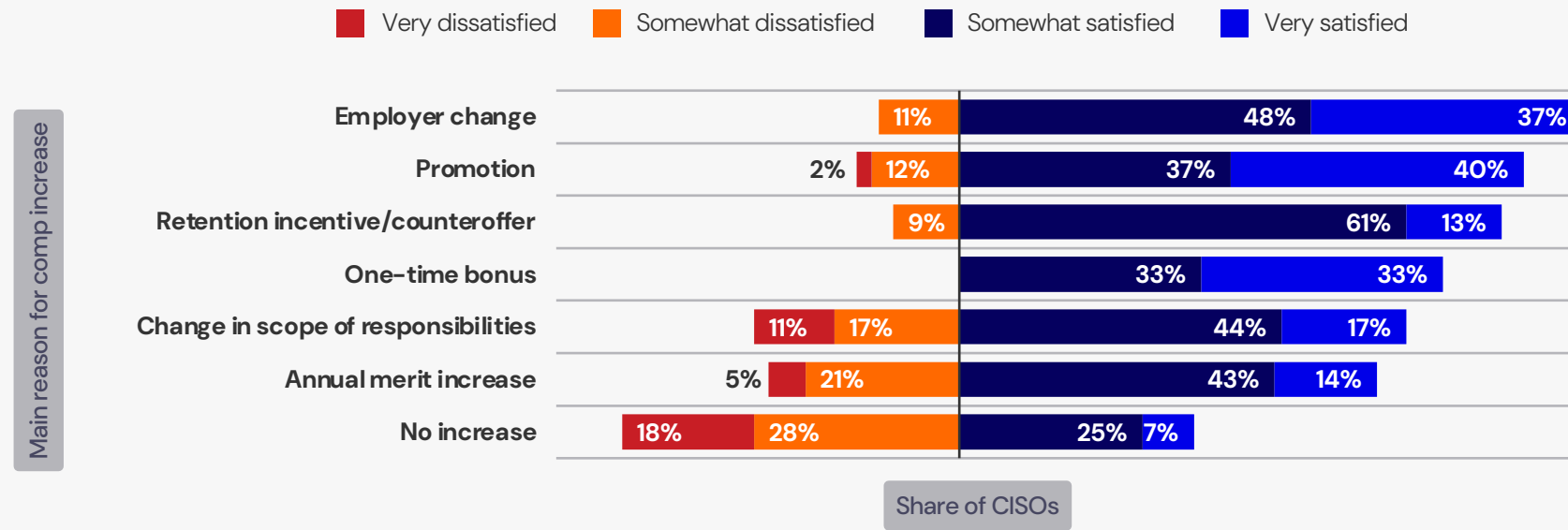
Additionally, the share of dissatisfied CISOs who got a pay bump because their scope of responsibilities changed is considerably higher than that of other pay increase situations (see FIGURE 19).

FIGURE 19 Source: IANS & Artico Search

While Most CISOs Are Satisfied With Their Compensation, Those Without Increases Are Not

CISO satisfaction with their compensation

Compensation satisfaction in relation to the main reason for the most recent comp increase



Percentages do not add up to 100% because "neutral" responses are not included in the chart.

Strategies To Boost CISO Value and Increase Pay

As of Q3 2024, the CISO talent market has been showing signs of recovery, and we believe this strengthening trend will persist. Macroeconomic conditions are on the upswing, and security budget growth has modestly accelerated compared to 2023. Additionally, anecdotal evidence points to a growing number of employers initiating CISO searches. These trends create a market that is more open to change than we saw at the end of 2023 and first half of 2024.

Our team of experts offers its recommendations for CISOs to increase their value.

Align the security program with business objectives

By integrating the security program with the organization's business goals, like revenue growth, operational efficiency and customer trust, CISOs position security as a business enabler rather than merely a compliance function. Collaborate closely with business leaders to prioritize risks that directly affect the bottom line and communicate security benefits in business terms. This helps elevate the CISO's role and demonstrates the strategic importance of cybersecurity to the organization.

Build strong relationships with the leadership team and board of directors

Regularly engage with them to understand their priorities, communicate security strategies in business terms and provide clear insights into how security supports the organization's goals. By fostering trust and alignment with these key stakeholders, CISOs position themselves as a strategic partner, ensuring security is a key priority in decision-making processes.

Methodology

IANS Research and Artico Search fielded their fifth annual CISO Compensation and Budget survey in April 2024. From April until August, we received survey responses from 755 security executives at a diverse set of companies in regard to size, location and industry. Of them, 699 U.S.- and Canada-based respondents completed the compensation section of the survey.

Key steps in the research process are:

Survey design

We improve our surveys on an ongoing basis by incorporating feedback from respondents and adding topics based on client demand.

Respondent recruitment

We recruit from last year's already vetted respondents. We grew the sample by recruiting from diverse CISO audiences. Respondents receive a complimentary copy of the research. There is no monetary compensation attached to taking the survey.

Data hygiene

The survey design and data collection process includes precautions to prevent fake respondents and survey response errors. For example, respondents can skip questions if they don't have access to the requested information.

Analysis

A five-member team runs the analysis, builds the storyline and writes the report. This is a multidisciplinary team with combined expertise in data science, cybersecurity, CISOs' key imperatives, and cyber executive talent and recruitment.

Objectivity

This research is neither influenced by nor paid for by third parties. We report on the data objectively and free from personal bias and opinions. Clarifying insights are drawn from Artico's cyber practice and clearly marked as quotes.

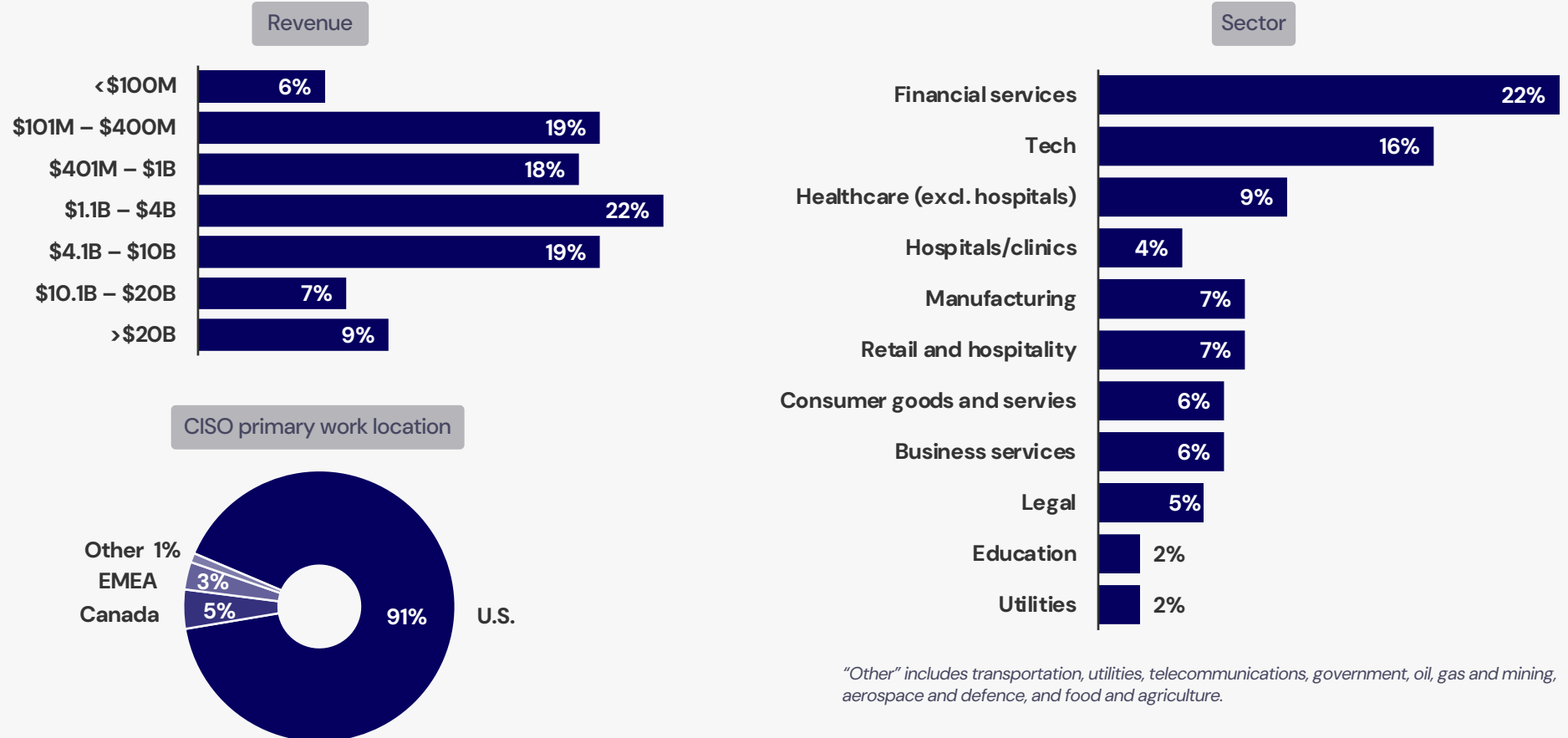
Sample breakdown

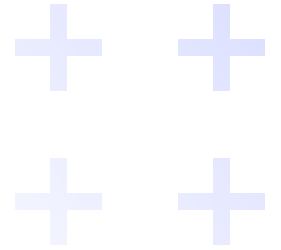
Respondents provided a range of budget data, including the absolute and relative size of their company’s security budgets, the annual growth rate of the budget and how the budget breaks down into a set of commonly used spending categories. Using respondents’ data, we calculated averages (the statistical mean).

FIGURE 21 provides the breakdown of respondents by company industry, company size in revenue, organizational type and the respondents’ primary work location.

FIGURE 21 Source: IANS & Artico Search

Sample Breakdown: N = 755





About Us

This publication is created in partnership between IANS and Artico Search.

Artico Search

articosearch.com

Founded in 2021, Artico Search's team of executive recruiters focuses on a "grow and protect" model, recruiting senior go-to-market and security executives in growth venture, private equity and public companies. Artico's dedicated security practice delivers CISOs and other senior-level information security professionals for a diverse set of clients.



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