



# Icing Income

Travel managers see their salaries enter the deep freeze in *BTN's* annual survey.

BY CHRIS DAVIS

THE FIRESTORM OF LAYOFFS THAT charred the corporate travel industry at the lowest depths of the recession may have cooled, hiring managers may be warming to the prospect of adding more travel buyers to their employment rolls, and travel managers' attitudes toward their future, employment and industry viability may have warmed to pre-down-turn levels, but corporate travel's new Ice Age still holds one aspect of professional management in a deep freeze: travel managers' salaries, according to *Business Travel News's* 27th annual Travel Manager Salary & Attitude Survey.

About 44 percent—an all-time high in this survey—of the 197 travel buyer respondents said they received no pay raise at all in 2009, six percentage points higher than last year's then-record total. The compensation includes salary, bonuses and incentives.

While there was a gender gap in the responses, the freeze did not discriminate by job title, as 48 percent of travel directors and vice presidents surveyed did not see their compensation increase, versus 42 percent of those respondents with other titles. However, 47 percent of female respondents received no raise, but only 37 percent of male respondents

reported that they felt the freeze.

Respondents' frustration with the new Ice Age was clear. "I added more responsibilities with no pay increase in two years due to the economy," said one travel buyer to an open-ended question that asked respondents for the biggest change in their jobs in the past 12 months. "Huge staff reductions result in extra responsibilities and no extra compensation," responded another buyer. "Profits before people."

Despite some positive signs in other aspects of industry employment, salary remains a lagging indicator, said Dawn Penfold, president of Southern Pines, N.C.-based meetings industry employment firm Meetingjobs.

"We have not seen salaries increase," according to Penfold. "We have seen

they are very steady and stagnant."

Things may be tough out there, but they're tough all over. For example, the median raise this year for information technology professionals surveyed by *InformationWeek* magazine was zero, and 40 percent of those respondents did not get a raise, on top of 15 percent who received a pay cut.

Some human resources consulting firms see some loosening in overall compensation trends. Lincolnshire, Ill.-based HR outsourcing and consulting firm Hewitt Associates sees the possibility of a slight rebound in overall salary increases throughout the world this year, although one that pales in comparison to pre-recession years. "While employees around the world will see a slight increase in salary adjustments for 2010, they shouldn't expect these increases to return to prior levels anytime soon," said Shekhar Puro-

hit, Hewitt's global compensation consulting leader.

In 2011, the median salary increase across all industries is projected to be 3 percent by New York-based research firm The Conference Board, up from 2.5 percent increases this year and last.

"This less-than-robust increase is an indication that the economic recovery has not yet picked up enough strength to significantly raise salary budgets to a level consistent with a healthy economy," said The Conference Board human capital researcher Christopher Woock.

According to *Business Travel News's* survey, the median increase of all travel buyers from Jan. 1, 2009, to Jan. 1, 2010, was 2 percent, not quite to the level of The Conference Board's overall corporate figures. The average, including respondents who received no raise, was about 2.9 percent, just a shade higher than the 2.8 percent increase buyers reported last year.

However, the average salary of travel managers—including vice presidents and directors—was \$106,543, only 1.4 percent higher than last year. When all buyer respondents are figured into the equation, an average \$99,290 salary was only 1.2 percent higher.

Still, there are signs that respondents believe that the worst of the recession's

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## 2010 Travel Manager Salary & Attitude Survey

### NEARLY HALF SEE SALARY FREEZE

	2010	2009	2008	2007
0%	44%	38%	16%	21%
1% to 5%	46%	51%	68%	62%
6% to 10%	6%	9%	14%	14%
11% or more	4%	2%	2%	3%
<b>AVERAGE INCREASE</b>	<b>2.9%</b>	<b>2.8%</b>	<b>3.7%</b>	<b>3.7%</b>

### SALARY, BONUSES AND INCENTIVES AS OF JAN. 1, 2010

	2010		2009		2008	
	Travel Managers <sup>1</sup>	Travel Buyers <sup>2</sup>	Travel Managers <sup>1</sup>	Travel Buyers <sup>2</sup>	Travel Managers <sup>1</sup>	Travel Buyers <sup>2</sup>
<\$40,000	1%	3%	1%	5%	3%	4%
\$40,000-\$49,999	3%	4%	8%	10%	5%	7%
\$50,000-\$59,999	3%	7%	4%	6%	8%	9%
\$60,000-\$69,999	7%	12%	8%	10%	12%	11%
\$70,000-\$79,999	16%	12%	9%	8%	13%	13%
\$80,000-\$89,999	8%	8%	11%	9%	12%	12%
\$90,000-\$99,999	14%	11%	15%	13%	13%	11%
\$100,000-\$149,999	36%	28%	31%	25%	19%	23%
\$150,000+	14%	13%	14%	14%	15%	10%
<b>AVERAGE</b>	<b>\$106,543</b>	<b>\$99,290</b>	<b>\$105,075</b>	<b>\$98,131</b>	<b>\$100,402</b>	<b>\$93,290</b>

<sup>1</sup> Includes 122 respondents with the titles of travel manager, supervisor, travel vice president or director only

<sup>2</sup> Includes 197 travel managers, supervisors, specialists, advisors and coordinators, meeting and conference managers, supervisors, planners and coordinators, travel vice presidents and directors, as well as purchasing and transportation managers or supervisors



# Travel Buyers Approach Six-Figure Payouts

THE AVERAGE SALARY POSTED by corporate travel buyers—for the purposes of this survey, an umbrella term that covers every respondent—at \$99,290 may be a few hundred bucks shy of the \$100,000 mark, a ceiling yet to be breached in this survey, but it still represents a figure that was 1.2 percent higher than last year's and exactly \$6,000 more than the average salary in the 2008 survey.

Half of the travel managers—only those respondents with vice president, director or travel manager titles—that participated in this year's survey made more than \$100,000, up from 45 percent in 2009 and 34 percent in 2008. Travel managers' \$106,543 average salary was pulled northward by the \$127,991 average of the vice president and director respondents. However, those management salaries actually dropped 1.3 percent from last year's average. Removing those salaries drops the average travel manager's compensation to \$95,439, but that figure is more than 5 percent higher than the 2009 level.

The gender gap in compensation reflected in *Business Travel News'* annual Salary & Attitude Survey is always significant, and is driven by the disproportionate number of travel vice presidents and directors who are male.

To consider raw averages, the \$122,323 average salary earned by men and \$91,461 earned by women reflects a gap that slightly grew from 2009 levels. Yet the gap is even wider when one considers that 60 percent of this year's male respondents indicated they made at least \$100,000 per year, which was far more than both the 35 percent of women who earn such a salary this year or the 51 percent of men who said they did in last year's salary.

The gender gap doesn't seem quite as onerous in view of the fact that most vice presidents and directors who responded to this year's survey were women—58 percent, to be precise. However, that point of information is heavily outweighed when facing the statistical

truth that 80 percent of the typically lower-paid travel specialists, advisors and coordinators, meeting managers, supervisors, planners and coordinators and purchasing and transportation managers and supervisors were women. In fact, the travel specialists and meeting planners surveyed were almost exclusively women.

To look at the data in a different light, more than 37 percent of the men who responded were travel vice presidents or directors, but less than 20 percent of the women were. Conversely, less than 25 percent of the men held one of the lower-paying titles listed above, but 37 percent of the female respondents did. These ratios have proven consistent in this survey for several years, indicating that it is a reasonable reflection of the makeup of the overall industry.

Female respondents, though, can point to some signs of progress: The 35 percent of women who make six-figure salaries is an all-time high. That number was 18 percent as recently as 2007.

Meanwhile, 56 percent of respondents can earn compensation beyond their salary based on the performance of their departments. Of those, for an overwhelming majority—94 percent—that compensation can come in the form of a bonus. A little more than one-quarter of eligible respondents can earn incentives, stock options or both.

Bonuses and incentives, on average, constitute about 12 percent of eligible respondents' total compensation. About

one in five of this year's respondents received at least 20 percent of their compensation packages in the form of a bonus or incentive.

That additional compensation is most frequently tied to departmental savings or cost avoidance, and more than half of eligible respondents said the travel

department's contribution to organizational value was one of the determining factors in their company assessing the amount of their bonus. While only 35 percent of all eligible respondents' additional compensation is tied to satisfaction, half of the vice president and director respondents said that theirs was. ■

## 2010 Travel Manager Salary & Attitude Survey

### AVERAGE TRAVEL MANAGER PAYCHECK STILL RISES

YEAR	SALARY	%ANNUAL CHANGE
2010	\$106,543	1.4%
2009	\$105,075	4.7%
2008	\$100,402	3.3%
2007	\$97,161	-1.4%
2006	\$98,545	5.4%
2005	\$93,195	1.6%
2004	\$91,768	11.5%
2003	\$82,300	10.6%
2002	\$74,400	8.6%

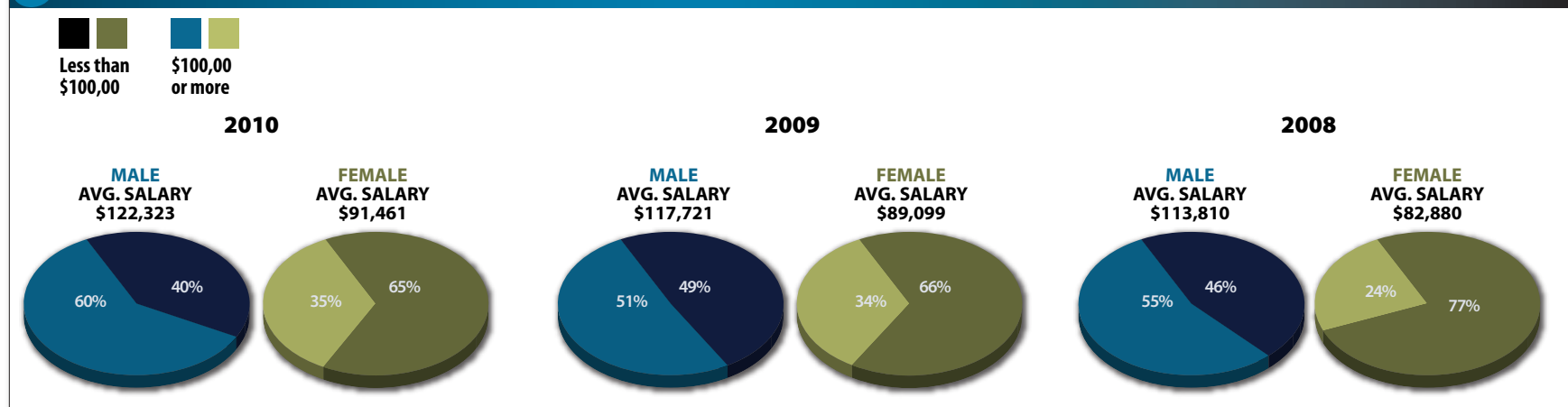
### TYPES OF COMPENSATION TIED TO DEPARTMENTAL PERFORMANCE

Bonuses	53%
Incentives	15%
Stock options	14%
None	44%

### TYPES OF PERFORMANCE TO WHICH COMPENSATION IS TIED

Savings/cost avoidance	70%
Travel department's contribution to organization's value	58%
Year-over-year program improvement statistics	49%
Formula that considers savings, satisfaction, reporting and strategic initiatives	47%
Traveler satisfaction	35%
Technology implementation	29%

### GENDER GAP PERSISTS





# Travel Buyers Temper Negative Attitudes

LAST YEAR'S SALARY & ATTITUDE Survey showed that an unprecedented wave of pessimism had crashed over the corporate travel industry, as negative perceptions of future professional opportunities and earning potential blossomed while the recession blanketed the market. This year, those perceptions have softened, and though they're not close to pre-downturn levels, there seems to be growing confidence in the industry's professional viability.

Perhaps most notably, last year, 20 percent of respondents thought industry salaries would decline in the following 12 months—they would not—a figure that not only quintupled the 4 percent who thought so in 2008, but also more than doubled any such figure in the previous decade. This year, it's back down to its customary 4 percent.

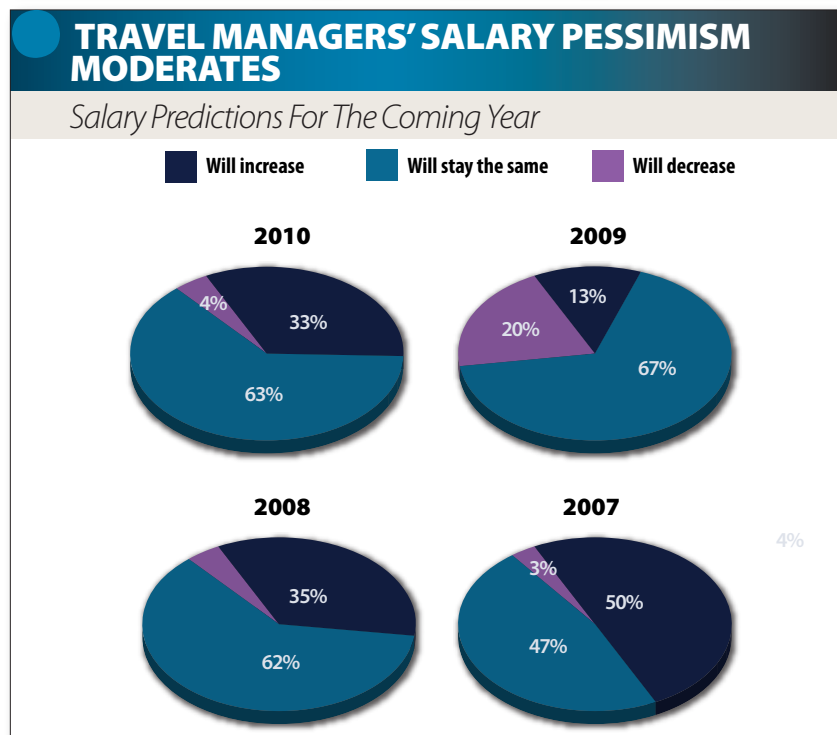
On the whole, 33 percent of respondents expect salaries to be higher by this time next year, while 63 percent project they'll hold flat. Those figures are very similar to those posted in the 2008 survey, another indicator that last year's pessimism was confined to 2009.

Travel vice presidents and directors—the one group in this survey whose average compensation was lower than it was last year—were both more optimistic and pessimistic than their lower-level brethren, as 46 percent of them expect industry salaries to increase in the next 12 months, but 7 percent project a decrease. Conversely, only 28 percent of non-managers—including travel coordinators and procurement managers—think salaries will be higher next year, as do 31 percent of all female respondents.

Also moderating somewhat was buyers' attitudes about the employment opportunities that are available in corporate travel management when compared with two years prior. Though the 19 percent of respondents who said those opportunities are more abundant today are close to the 17 percent who said so last year, those who believe opportunities have significantly decreased dropped from 21 percent to 12 percent. Still, that 12 percent remains solidly higher than the single-digit percentages in 2008 and 2007. The results were consistent across all subcategories.

Meanwhile, respondents seem at least

TRAVEL MANAGEMENT INDUSTRY EMPLOYMENT OPPORTUNITIES VS. 2008				
	2010	2009	2008	2007
Significantly increased	6%	4%	5%	5%
Somewhat increased	13%	13%	23%	27%
No change	25%	22%	39%	40%
Somewhat decreased	44%	40%	27%	24%
Significantly decreased	12%	21%	6%	3%



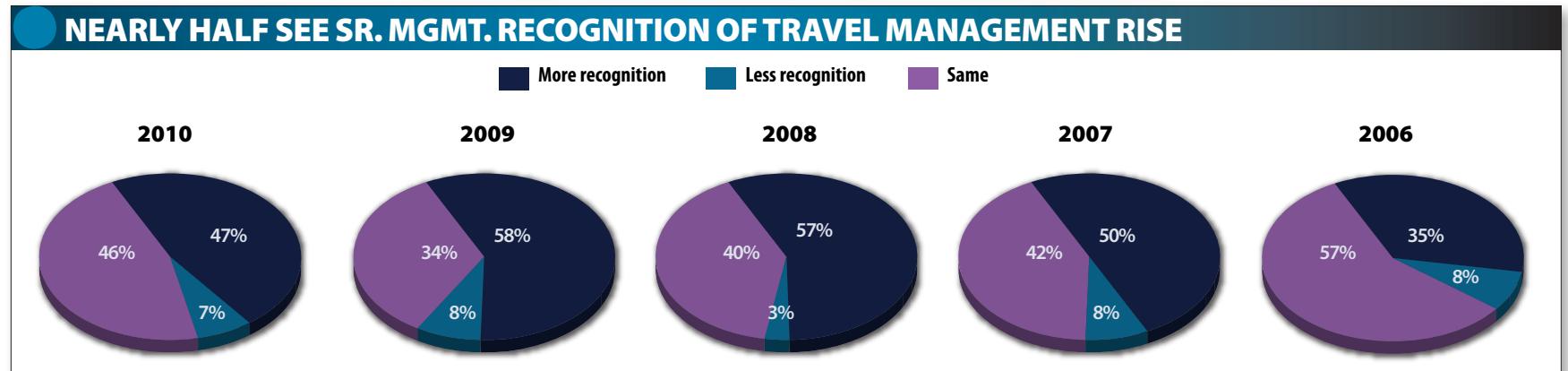
BUYERS' EXPECTATIONS IN TWO YEARS				
	2010	2009	2008	2007
In two years, will be in the same position with the same employer	47%	48%	50%	35%
Will be in a more advanced travel-related position	31%	25%	27%	29%
Will be in a largely non-travel-related position	7%	9%	7%	11%
Have different level or type of position with a different employer	6%	9%	9%	13%
Have the same type of position with a different employer	6%	5%	4%	8%
Be unemployed/retired	2%	4%	4%	4%

slightly more confident of their futures in corporate travel management—or, arguably, resigned that the current job market affords them little opportunity outside of their own firm. More than 85 percent of all respondents expect they still will be employed at their current company in two years, and about 36 percent of them anticipate that they will be in a more advanced position. The 14 percent who expect to leave the company is the lowest in several years. In 2007, for example, one-quarter of all respondents expected they would leave their company in two years.

This year, vice presidents and directors see a higher level of mobility than their non-managerial peers, as 18 percent predict they'll be with a different employer in 2012. Of the 82 percent who anticipate remaining with their current employers, only 69 percent see themselves in the same job. Only about 11 percent of those respondents who hold the title of travel manager expect to find greener pastures outside their companies, and of the remainder fully 42 percent expect to be in more advanced positions, perhaps even replacing those directors and vice presidents who leave the company. Even those projections of upward mobility don't match those of non-managerial buyers, however, as 49 percent of them expect to receive a promotion between now and 2012—more than the 43 percent who expect to be in the same spot.

Respondents, though, see the eye of senior management on their profession perhaps beginning to ease. The 7 percent who said there's less recognition of travel management by senior executives is actually a shade lower than last year's total, but the 47 percent who see more such recognition represent the lowest such total since 2006. While this may seem counterintuitive, given the extremely high priority many executives placed on travel cost control in 2008 and 2009, it's difficult to think there could be increased attention this year.

Interestingly, not a single non-managerial respondent thought there is less attention from senior management this year. About 11 percent of travel vice presidents and directors did, though, as did 10 percent of those respondents who hold the title of travel manager. ■





# Administrative Reporting Structures Fade

CORPORATE TRAVEL MANAGEMENT structures never have adhered to a strict template. Since the dawn of the profession, travel managers have reported upward to a wide variety of departments, including finance, human resources, operations and purchasing. In recent years, however, *Business Travel News'* annual

rate procurement or purchasing departments, up from 21 percent last year and 18 percent in 2007.

Travel directors and vice presidents, though, still predominantly report to finance, as the 38 percent who do so significantly outpace the 20 percent who report to procurement.

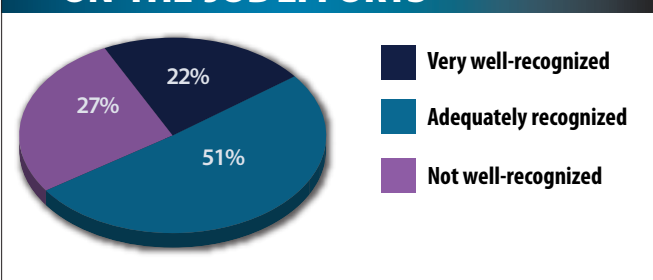
vice presidents and directors, only one-quarter do. In the case of those higher-level managers, that degree in almost every reported case is a Master of Business Administration.

Meanwhile, despite the salary freezes that blanket the industry, nearly three-quarters of buyers think their on-the-job

efforts are at least adequately recognized by senior management.

Travel buyers by and large remain a very experienced group, as 47 percent of respondents have at least 16 years of industry experience, and less than one-quarter of them have less than five years' tenure. ■

## MORE THAN ONE-QUARTER FEEL INADEQUATELY RECOGNIZED FOR ON-THE-JOB EFFORTS



Salary & Attitude Survey has unearthed a structural trend: the rapid deterioration of configurations in which travel managers report directly to the corporate administration.

In 2006, 39 percent of travel managers—in this survey's nomenclature, a category restricted to those with travel vice president, director, supervisor or manager titles—reported directly to the administration, more than any other reporting structure.

Since then, that percentage has dropped each year, and now stands at 14 percent. Conversely, 30 percent of respondents this year report to corpo-

Meanwhile, the travel professionals who spends all their work time on travel-related issues remains atypical, as only 38 percent of respondents report they are fully dedicated to travel management. However, 66 percent of respondents said they spend at least three-quarters of their time handling such matters, a good shot higher than the 54 percent who said so last year or the 52 percent in 2008.

Travel management remains a profession in which employees need not possess an advanced degree to achieve a high level of success.

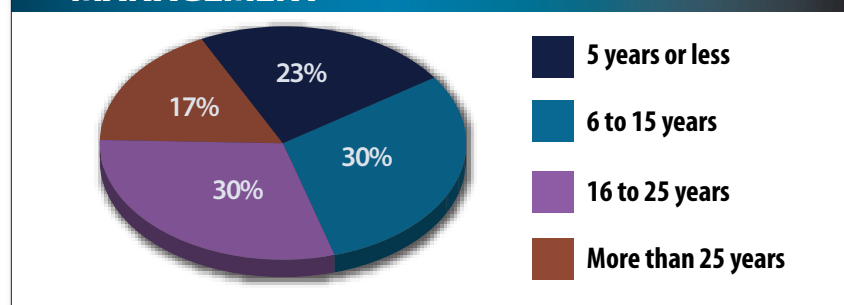
Only 18 percent of respondents hold a master's degree, and even among travel

## TO WHOM TRAVEL MANAGERS REPORT

	2010	2009	2008	2007	2006
Finance	32%	35%	31%	37%	33%
Purchasing/Procurement	30%	21%	24%	18%	23%
Administration	14%	17%	20%	26%	39%
Human resources	12%	11%	11%	15%	13%
Operations	11%	10%	8%	14%	11%
Strategic sourcing	4%	8%	4%	8%	10%
Senior travel executive	3%	3%	5%	5%	8%
Other	9%	18%	11%	15%	10%

Note: Respondents were allowed to choose more than one answer.

## BUYERS' EXPERIENCE IN TRAVEL MANAGEMENT



## Travel Managers See Their Salaries Enter Deep Freeze In 27th Annual Compensation Survey

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impact on their professional futures has passed. For example, 33 percent of travel manager respondents said they believe that corporate travel industry salaries on the whole will increase in the next 12 months—not exactly brimming with optimism, but a far cry from this time last year, when only 13 percent of respondents felt that way.

Similarly, only 4 percent of respondents expect salaries will drop in the coming year, but 20 percent thought so last year—incorrectly, it turns out. In fact, these 2010 industry salary projections are almost identical to the figures in the 2008 *BTN* Salary & Attitude Survey, compiled only a few months before Lehman Brothers' collapse.

"It's looking much better. We're seeing more hiring," Meetingjobs' Penfold said. "To give you an example, last year in July, we had five job postings listed. This July, 30 were put up."

Penfold pointed to financial companies, "they were the first to lay off, and

now they're the first to hire," and third-party meetings management firms that service pharmaceutical clients as sectors of notable job growth.

"The pace of layoffs and cutbacks has declined substantially," Penfold said. "Companies can't get any leaner at this point." Even companies that still are cutting heads aren't doing so as widely. "They may say 'layoff,' but it's usually for other reasons," she said. "There aren't bloodbaths."

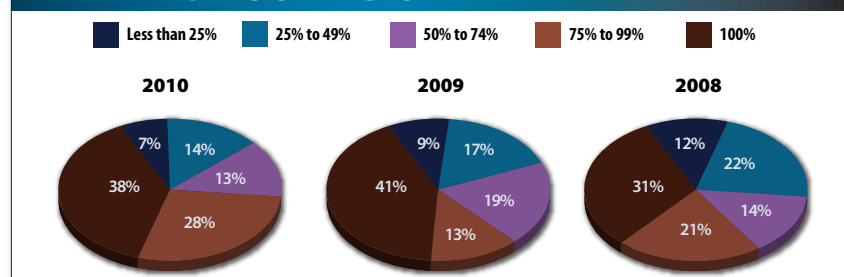
Some third parties like corporate travel and meetings management companies are hiring travel professionals, according to Penfold, as the pace of travel outsourcing across all sectors increases. The deep pool of travel and meetings professionals looking for work, though, means that finding a job remains challenging.

"Hiring officials are being very picky," Penfold said, citing instances in which firms seek extensive industry experience for relatively low-paying positions. "Quite a few people have left the industry altogether." ■

## BUYERS' HIGHEST LEVEL OF EDUCATION ATTAINED

	2010	2009
High school graduate	13%	14%
Two-year college	22%	27%
Bachelor's degree	48%	39%
Master of Business Administration	12%	14%
Master of Arts	2%	3%
Master of Sciences	4%	2%
Ph.D.	0%	1%

## APPROXIMATE PERCENTAGE OF TIME MANAGERS SPEND ON TRAVEL





**BUSINESS FUNCTIONS MANAGED BY TRAVEL BUYERS**

	CURRENTLY MANAGES
Hotels	96%
Air travel	95%
Car rental	94%
Travel policy creation and enforcement	90%
Online booking	89%
Travel agency	86%
Corporate intranet travel site	81%
Chauffeured car services	67%
Traveler tracking software	59%
Airport parking	57%
GDS selection	56%
Travel data warehouse	55%
T & E charge card programs	53%
Traveler security	51%
Rail	49%
Meeting logistics	45%
Strategic meetings management	45%
Online expense reporting	36%
Corporate housing and relocation	34%
Procurement card programs	32%
Incentive planning	24%
Corporate car fleet/leasing	23%
Business aircraft/charter	23%
Leisure travel for employees	20%
Traveler insurance	20%
Mobile phone contracts	8%

**INTRANET, EXPENSE REPORTING MOST COMMONLY ASSUMED ROLES SINCE 2008**

	BEGAN TO MANAGE IN PAST 2 YEARS
Corporate intranet travel site	12%
Online expense reporting	11%
Strategic meetings management	11%
Traveler security	10%
Chauffeured car services	9%
Online booking	9%
Travel policy creation and enforcement	9%

# 2010 Salary Survey Methodology

BUSINESS TRAVEL NEWS' TRAVEL Manager Salary & Attitude Survey is an annual measure of the opinions and compensation of a wide variety of corporate travel professionals.

For the 2010 edition—BTN's 27th—197 travel professionals this spring visited a secure Web site at BTN's e-mailed request to answer a survey questionnaire. Not every respondent answered every question, and chart totals do not always total 100 percent due to rounding.

About 42 percent of the respondents were travel managers or supervisors, 17 percent were travel directors, 7 percent were vice presidents, 16 percent were travel specialists, advisors, coordinators or analysts, 12 percent were purchasing, procurement, sourcing or transportation managers, supervisors or directors, 1 percent were meeting managers or supervisors, 3 percent were meeting or conference planners or coordinators and

2 percent fell into the "other" category. The typical travel buyer respondent had around 15 years of travel management experience. Nearly 72 percent of buyer respondents were female.

In this survey, "travel buyers" includes all qualified respondents; "travel managers" is a subset of "travel buyers."

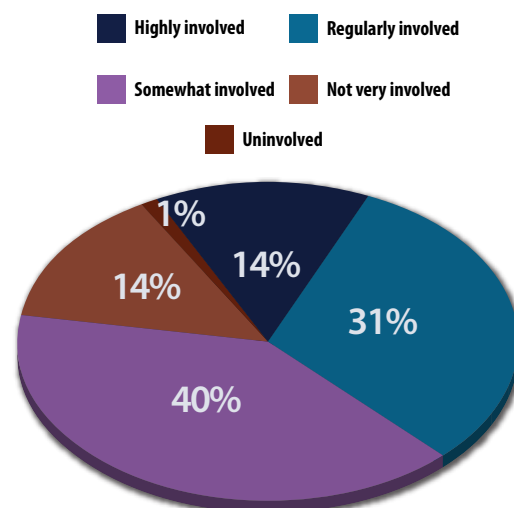
"Travel manager"—unless otherwise specified—refers to the approximately 66 percent of respondents with the titles of travel manager, supervisor, vice president or director. Of those respondents who are classified as "travel managers," about 11 percent were travel vice presidents, about 26 percent were travel directors, and about 63 percent held travel manager or travel supervisor titles.

BTN art director Jonathan Chan designed all charts; executive managing editor Chris Davis wrote all captions. BTN used SurveyMonkey.com to collect and tabulate responses. ■

**BUYERS SEE MORE MEETINGS DUTIES BY 2012**

	EXPECT TO MANAGE IN NEXT 2 YEARS
Strategic meetings management	21%
Meeting logistics	15%
Traveler security	10%
Traveler tracking software	10%
Chauffeured car services	9%
Online expense reporting	9%

**SENIOR CORPORATE EXECUTIVES' INVOLVEMENT IN TRAVEL MANAGEMENT DECISIONS**



Business Travel News thanks all of those who participated in this annual study of travel manager compensation and perception.