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Attracting and Retaining Talent the No. 1 Human Resources Challenge Faced by Family Offices, Finds Family Office Exchange Study

Report identifies top five reasons employees enjoy working for family offices

CHICAGO, November 7, 2013 – Family offices reported that finding and retaining qualified talent was their top human resources challenge, according to new research from the Family Office Exchange (FOX), a global network of wealth owners and their advisors.

The study titled “Family Office Compensation & Benefits” finds family offices expressing concern about their ability to find talent with the unique skill set and demeanor necessary to serve ultra-high-net-worth clients.

“In addition to technical expertise, the family office environment demands a willingness to ‘wear many hats’ and do whatever it takes to ensure that the owners are satisfied,” says Senior Consultant and lead researcher Jane Flanagan. “Often finding the right cultural fit is just as challenging as finding the correct skill set.”

Respondents also cited retaining key employees and providing them with meaningful career paths as challenges in their operations. The majority of participants attempt to address these issues by documenting job descriptions for every employee (66%) and performing complete annual performance reviews (75%).

In spite of these challenges, the study finds family offices possess a number of positive traits that could give them an edge in attracting and retaining talent. Employees commonly cited five key qualities as making family office jobs attractive:

1. Continuous learning opportunities
2. Deep client relationships
3. Ability to have long-term impact

4. Entrepreneurial environment
5. Flexibility

Among the other key findings:

- Eighty percent of family office positions saw their salaries increase in 2013. This is up from two-thirds in the last FOX Compensation study performed in 2011.
- The median reported salary increase was 4%, up from the 3% consistently seen since the 2008 economic downturn.
- Most participants anticipate a median increase of 3% in 2014.
- Most participants (63%) reported offering short-term incentive compensation, while just 32% offered long-term. Large offices were more likely than small offices to offer both.
- Fifty-four percent (54%) of reported positions received a short-term incentive in 2013; the median short-term award was 12% of base salary.

"The most common human resources challenge cited by family offices is finding and retaining quality talent," says Flanagan. "The goal of this survey was to provide family office hiring managers with the state of the industry related to compensation, benefits and human resources practices."

"Family Office Compensation & Benefits" is the third in a series of benchmarking studies that Family Office Exchange is conducting this year. It follows the 2013 Investment Survey released in April and Technology in the Family Office released in July. The study surveyed 122 family office participants. Respondents received a special edition of the report that broke down the average salaries for 25 common family office positions.

About Family Office Exchange

Family Office Exchange supports a global member network of wealthy families and their advisors who are pursuing best practices for optimal management of their families' wealth and legacy. The community includes more than 450 organizations in 20 countries who utilize FOX's resources each year for advice, networking, education, and comparative metrics.

FOX is headquartered in Chicago and London, with offices in New York, Boston and Washington DC. For more information about FOX, call 1.312.327.1200 (The Americas) or 44.(0)20.7520.9443 (Europe, Africa, Asia/Pacific) or visit www.familyoffice.com.

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