RETS ASSOCIATES

CRE Financial Analysts Say, “Show Me the Money!”; The Less-Experienced Are Restless and Ready to Relocate

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Working from home is less of a deal-breaker for CRE financial analysts than a compensation package that doesn’t measure up, and one demographic in particular is actively job hunting and willing to move across the country for a better position.

These are among the most noteworthy data points gathered from the results of RETS Associates’ 11th CRE Financial Analyst Survey. Respondents, 57% of whom were analysts based in the Western U.S., gave their frank opinions on topics ranging from salary to job searches and more.

Why does this matter to the commercial real estate sector at large? In our 20 years in this field, RETS has noted that financial analysts’ viewpoints mirror overall CRE employment trends—which impacts everyone in our industry.

Those who received our questionnaire were more eager to share their career perspectives with us than in the past: this year’s survey received 293 responses—a considerable jump from the average 200 responses garnered over the last several years. Women were underrepresented, as the overwhelming majority of respondents (91%) were male. As expected, 85% held less than seven years of experience.

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Read on for more insights into this year’s survey data.

TOP REASONS FOR ACCEPTING A JOB OFFER

1. SALARY AND BENEFITS PACKAGE
2. GROWTH POTENTIAL
3. COMPANY CULTURE
4. LOCATION
5. ABILITY TO WORK FLEXIBLE HOURS
6. ABILITY TO WORK FROM HOME

Money talks louder than flexibility

Not surprisingly, given our current inflationary economy, a strong salary and benefits package once again took top ranking in our survey as a reason to accept a job offer. Respondents ranked growth potential next, followed by company culture and location.

The ability to work from home or work flexible hours, however, which became increasingly important to job seekers during the pandemic, was less critical to financial analysts than these other considerations.

As one respondent noted, “Many candidates may say they want to work from home, but young, inexperienced professionals need to be in a learning-rich environment around talented CRE professionals who can give them guidance and mentorship in person. One does not build relationships in this community working from home or behind a computer. They need to get out and network, meet people, attend industry events, and go see the real estate.”

As the pandemic recedes, workplace flexibility continues to remain valuable to employees, but employers who want to attract and retain top financial analyst talent will sweeten the pot with a compelling compensation package and the ability to advance within the company.

AVERAGE TOTAL COMPENSATION OF RESPONDENTS BASED ON EXPERIENCE

$98,445
FINANCIAL ANALYST
(0-2 YEARS' EXPERIENCE)

$131,455
SENIOR FINANCIAL ANALYST
(2-4 YEARS' EXPERIENCE)

$158,547
ASSOCIATE
(3-5 YEARS' EXPERIENCE)

$183,964
SENIOR ASSOCIATE
(4-6 YEARS' EXPERIENCE)

$214,387
DIRECTOR
(5+ YEARS' EXPERIENCE)

When it comes to compensation itself, an advanced degree isn’t paying off as much or as long as it used to do. The average estimated total compensation for survey respondents with an MBA or Master’s degree was $165,628, down 4% from 2021. And while a higher degree brought analysts 12% more in total compensation than a Bachelor’s degree, this benefit weakens as tenure increases. Therefore, advanced education does have a limited shelf life.

Additionally, and sadly, the gender wage gap persists: women who hold an MBA or Master’s earned 13% less than their male counterparts and women with a Bachelor’s degree earned 9% less than the men. While the push to increase the number of women occupying the C-suite in CRE is ongoing, compensation disparity between the sexes still exists regardless of education level.

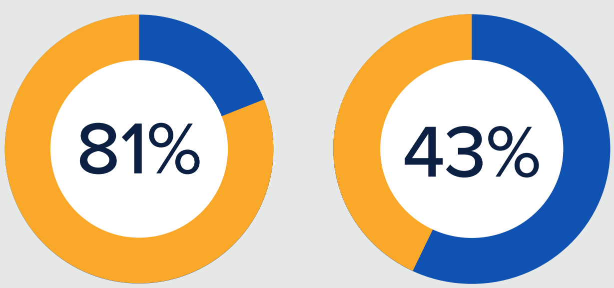
The majority of “newer” financial analysts are searching for a new role…

Aligning with trends seen in the recent “Great Resignation,” many financial analysts are testing the employment waters inside and outside their company.

While 57% of survey respondents said that they have actively pursued a new position within the past year, 64% said that they have had at least one job interview during that time—either with their current employer or a different one—a slight uptick from 56% in 2021. That means nearly two-thirds of financial analysts surveyed have taken steps to find another position, an indication that a high percentage of people in this role are unhappy or unsatisfied in their jobs. (Are you listening, employers?)

Pay attention to less-tenured workers, as financial analysts with 0-2 years of experience were the most active job seekers among those surveyed. In fact, 81% employees in this bracket had at least one job interview in the past year, with 43% reporting four or more interviews in the past year. That’s a lot of young talent looking elsewhere. One survey respondent commented, “Given the labor shortage and the ongoing war for talent, why shouldn’t those newer to the workforce see what else is out there? Large salary jumps usually only occur when switching roles or companies. Employers who don’t make a concerted effort to check in with their team members and ensure their compensation and growth opportunities are competitive are likely to lose them.”

JOB SEEKING ACTIVITY AMONG FINANCIAL ANALYSTS WITH 0-2 YEARS OF EXPERIENCE



AT LEAST ONE JOB INTERVIEW IN PAST YEAR

FOUR OR MORE INTERVIEWS IN THE PAST YEAR

On the other end of the spectrum, directors with seven or more years of experience were the least active job seekers, with 60% of respondents at this level having had no interviews in the last year. Naturally, as compensation and growth increases, the desire to leave decreases.

…And are more willing to relocate for a job than their more-tenured colleagues

Younger, less-experienced financial analysts are especially open to moving long distances for a better job opportunity. While 61% of respondents said they are open to relocating for a job, with slightly lower rates (52%) for women, those with 0-2 years of experience were the most willing to relocate (78%). Only 48% of associates with 3-6 years of experience were enthusiastic about relocating.

As for where they are now and where they are willing to move, respondents from San Francisco and Los Angeles were the most likely to want to live somewhere else, either within California (San Diego, Los Angeles or Orange County) or as far as New York.

Despite reports of an exodus out of California, the Golden State is still the top choice of job location among Western U.S.-based financial analysts, with Manhattan attracting a small percentage to the East Coast.

Although the pandemic enabled people to work from virtually anywhere, our survey respondents are still drawn to major metros on either coast vs. opting for unconventional or remote locations.

RETS Associates is one of the nation’s leading real estate executive search firms, specializing in connecting today’s companies with valuable talent to deliver long-term profitability. With a proprietary database of more than 61,000 experienced candidates, RETS helps global, national, and regional real estate and construction companies strategically recruit and hire both permanent and interim employees. For more information on the latest impacting the CRE analyst space, reach out to Kent Elliott at kent@retsusa.com or 949-724-0800.

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