

Executive Summary

A Focus on Talent

2024 Compensation and Benefits Survey

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Introduction

The 2024 FOX Compensation and Benefits Report is a comprehensive resource designed to assist family office board members and executives in evaluating their compensation plans.

This biennial report, developed in collaboration with Grant Thornton, offers valuable insights into the compensation and benefits landscape within family offices, providing a benchmark against peers. The report is divided into three main sections: governance structures, staff benefits, and detailed position compensation.

150 unique family offices participated across the three-part survey in 2024, with 22 detailed position-based compensation dashboards available for survey participants only. We are happy to share some key takeaways from that survey in this executive summary in hopes that our membership community will be supported with this data as they make key human resource and governance decisions for the coming year or two.



David F. Toth
President of
Membership



Mishu Din
Director, Research
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About the respondents

~\$1B

Average AUM of
respondents

50%

respondents have
AUM > \$500m

67%

respondents are large
offices (7 or more full
time employees)

DEVELOPED IN PARTNERSHIP WITH:



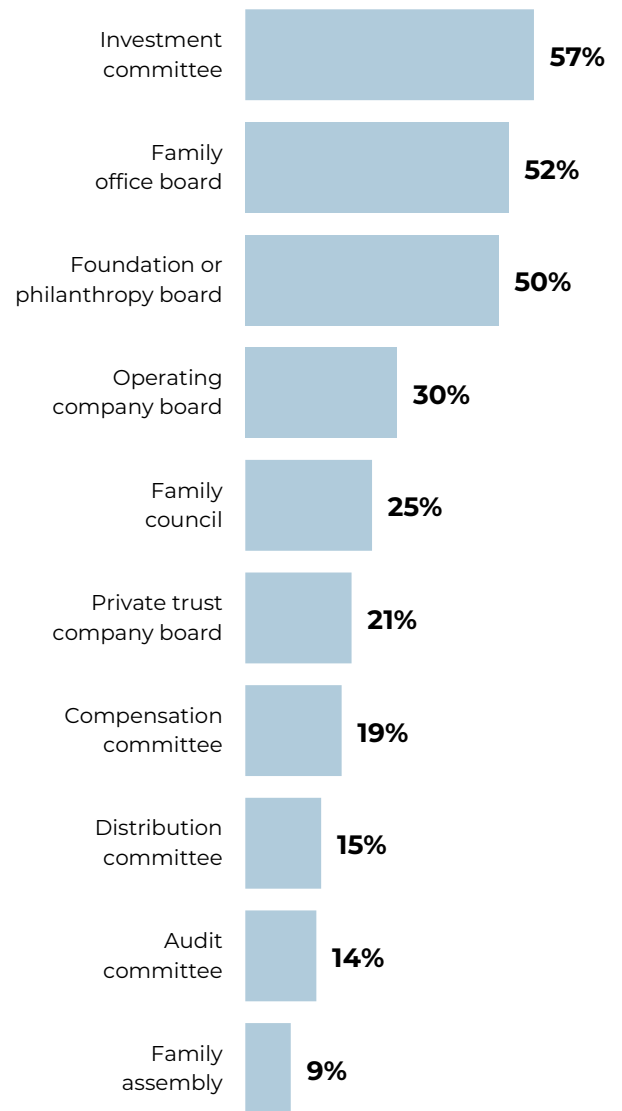
Governance structures and compensation

One of the key findings of the report is the significant variation in compensation based on governance structures and roles. Family office executives tend to receive higher compensation compared to other roles across boards and committees. This trend is particularly evident in investment committees and operating company boards, where external experts command much higher pay, reflecting the value of their expertise and the professionalized nature of these roles

Investment committees, in particular, have the most diverse membership compared to other governance structures. They include a variety of roles such as blood family members, spouses/partners, family office executives, and external board members. These committees also meet more frequently than other governance structures, with an average of eight meetings per year.

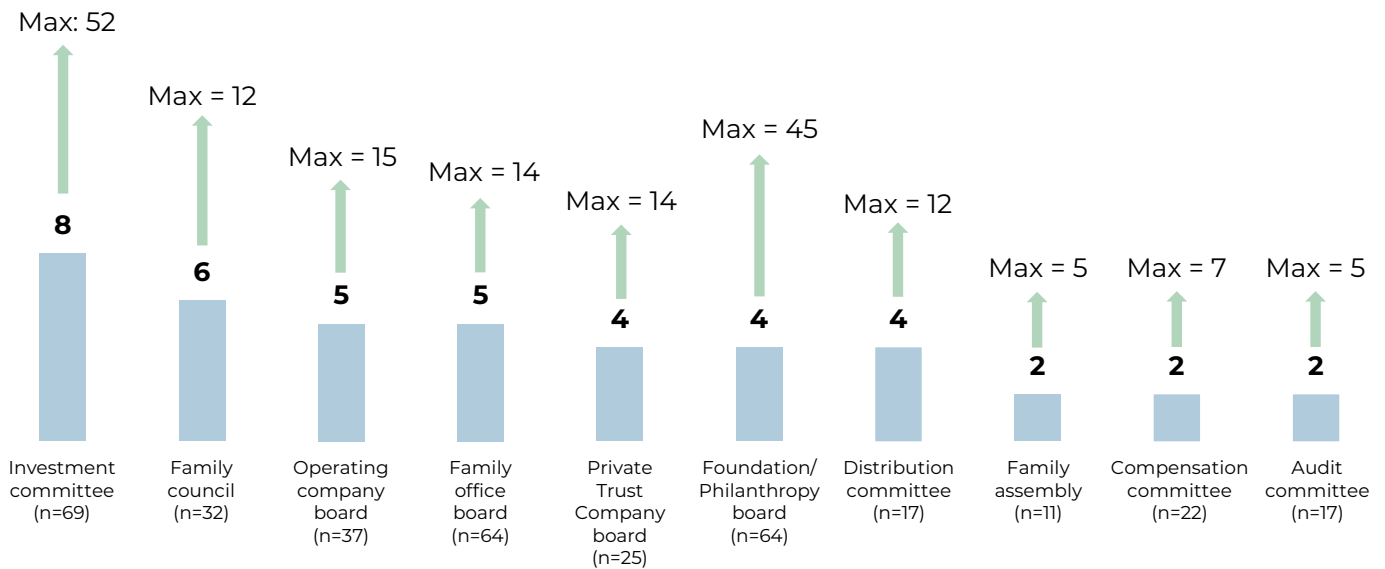
The report also highlights the rarity of compensation committees within family offices. When they do exist, they typically meet only twice a year for a few hours. This presents an opportunity for family offices to leverage compensation committees more effectively to advance recruiting and talent retention strategies.

% of offices with most common governance structures



Governance structures and compensation (cont'd)

Average number of board and committee meetings per year



Investment committees have the most diverse members by role

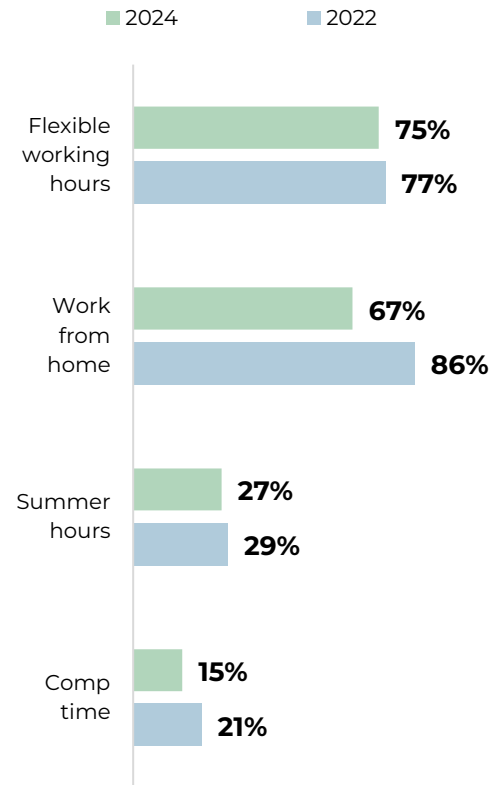
Average number of individuals on committees (by role)	n	Family members			Executives		Non-family members		
		Blood family members	Spouses and partners	Other non-blood family members	Family office executives	Family business executives	External board members	Trustees	Other role
Investment committee	64	2.4	1.4	2.8	1.7	1.4	2.1	2.0	1.0
Compensation committee	21	2.8	1.3	0	1.1	1.0	2.0	1.0	0
Distribution committee	10	2.9	0	0	1.7	1.0	1.6	2.0	0
Audit committee	12	1.9	1.0	0	1.8	0	1.6	1.0	0

Family office staff benefits

The report reveals several trends in family office staff benefits. Flexible work options have become increasingly common, with 75% of offices offering work-from-home options and 67% providing flexible working hours. However, the growth of work-from-home options has tapered off, with the number of employees working three days a week in the office increasing to 48% in 2024, compared to 32% in 2022.

The survey highlights that finding new talent is perceived as difficult, which may drive the need to offer more attractive compensation packages that include long-term incentives to retain and attract employees. Staff benefits such as insurance seem to be on the trend to become more generous, structured onboarding has increased since 2022, and more flexibility in use of paid time off was noted.

Flexible work options available to employees



Professional development is another area where family offices are investing more.

The average budget for professional development has increased from \$20,000 in 2020 to \$42,160 in 2024. These budgets cover a range of activities, including workshops, conferences, and continuing professional education.

Comparing professional development budgets by year

	Average	Median
2020 (n=114)	\$20k	\$10k
2022 (n=99)	\$30k	\$20k
2024 (n=38)	\$42K	\$20K

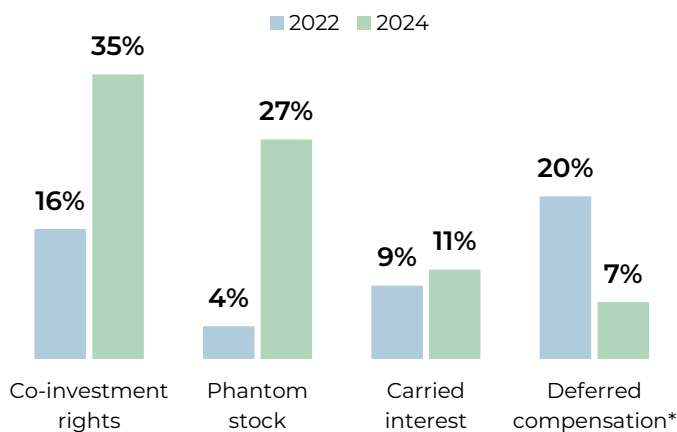
Family office staff compensation

Participating family offices show a preference for merit-based salary increases over cost of living adjustments. This trend is evident across both small and large offices, with merit increases being offered by 86% of offices in the survey. This shows adoption of a strategic tool for retaining talent at offices.

Long-term incentives

There is a growing focus on long-term incentives, with 67% of offices considering revising compensation plans to include long-term incentives and 60% focusing on base salary adjustments. Tools like co-investment rights and phantom stocks are gaining popularity, reflecting a strategic focus on aligning employee interests with long-term organizational goals, and eventually better talent retention.

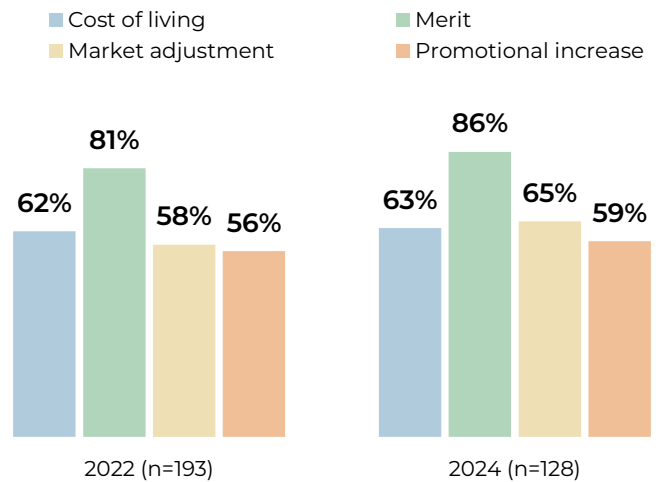
Co-investment rights and phantom stocks have grown in popularity as an LTI tool while deferred compensation trended downwards



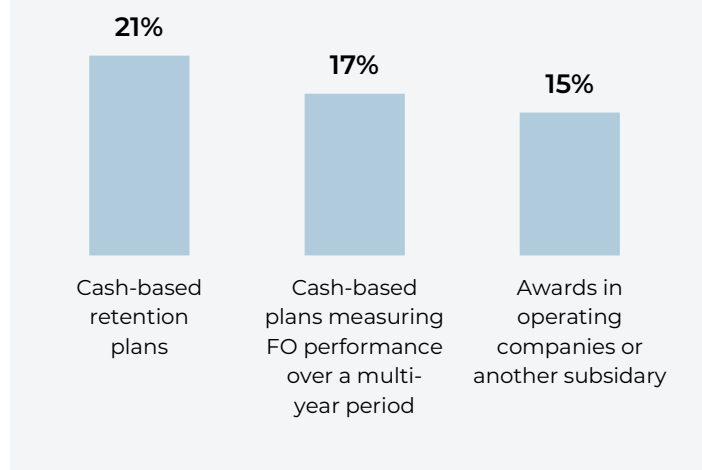
Merit increases were more popular in 2024 compared to the cost of living increases which are trending down

% of offices offering each type of salary increase

Universe



Newly tracked categories for the 2024 study



Closing thoughts: strategic trends towards better talent retention

This year's survey identifies several strategies that collectively aim to make family offices more attractive to potential employees and current employees. By offering competitive benefits, clear development opportunities and flexible working conditions family offices seek to continue their record of employee retention and improve their attractiveness to potential new employees.

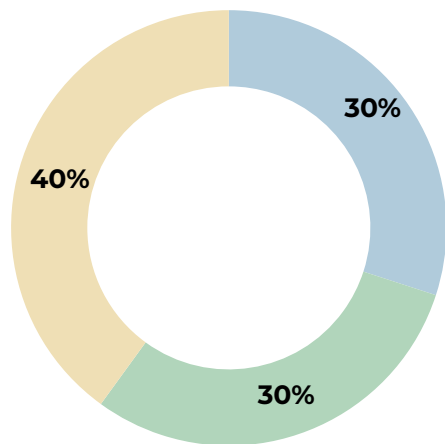
Some offices are revising compensation plans to focus on long-term incentives and base salary, which can be attractive to candidates looking for stability and growth opportunities .

The expansion of insurance coverage, including life and disability insurance, can also be a draw for new talent, as it provides additional security and benefits.

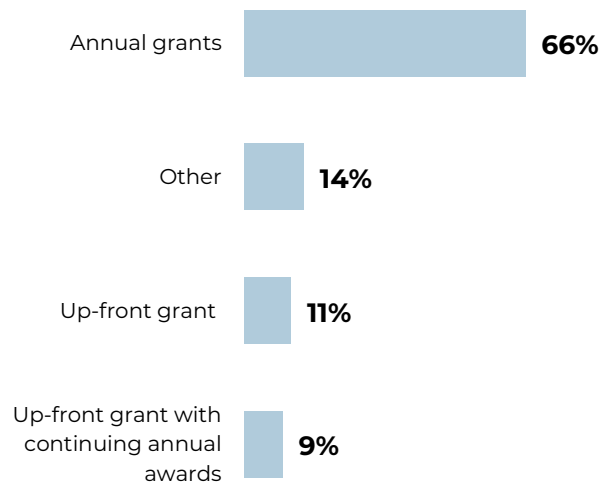
Determination of long-term award amounts varies while timing schedule is mostly annual

How award amounts are determined

■ Target payout ■ Multiple of base salary ■ Other



Timing schedules for awards



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