# Small Firm Compensation Report 2018



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2017 is the first year the American Institute of Architects (AIA) collected salary data specifically from members working at small architecture firms, defined for the purposes of the survey as those legally structured as sole proprietorships (regardless of number of employees) and architecture firms with fewer than three architectural staff employees. Historically, small firms have not been included in the AIA Compensation Survey due to the fact that employee compensation at small firms can vary widely and is less likely to follow a more formalized salary structure. Instead, it is often more dependent upon firm performance in a given year.

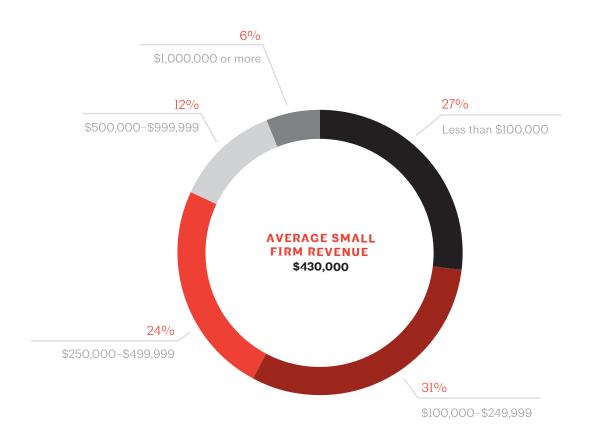
In addition, the business structure at small architecture firms is often very different from

larger firms. In sole proprietorships, the firm owner does not receive a salary but, instead, takes draws (discretionary paychecks) out of the firm profits, with amounts that can vary substantially from year to year depending on business conditions, firm needs, etc. To address these different salary structures, it was critical that the survey allowed firms to report their information in different ways, depending on their organizational structure.

To develop a survey to best meet the unique needs of small firms, AIA collaborated with a working group of members of the AIA Small Firm Exchange (SFx) to develop a new survey that could address the different types of small firms—and to begin to compile a body of reliable and accurate salary data.

### FIGURE 01: More than 80% of small firms have annual revenue of less than \$500,000

Percent of firms, by total 2016 firm revenue



# Small firms average three employees & are largely single discipline

The 2017 Small Firm Compensation Survey questionnaire was open only to firms that were either classified as sole proprietorships or had fewer than three architectural staff employees (all other firms were directed to AIA's standard 2017 Compensation Survey). More than half (55%) of firms responding to the Small Firm Compensation Survey classified themselves as single-discipline architecture firms, in contrast to just one-third of firms responding to the standard 2017 Compensation Survey. An additional 25% of responding firms classified themselves as multidisciplinary, with architecture as the lead

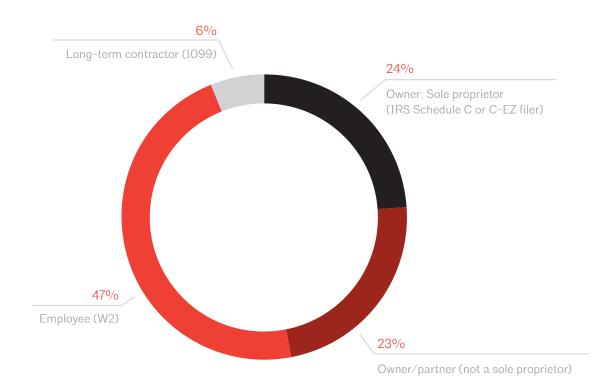
discipline and interior design as a secondary design discipline.

The average firm size of the responding small firms was three employees; 73% were full-time employees, 20% were contract employees, and the remaining 7% were part-time employees. The majority of firms (68%) indicated their firm was legally classified as an LLC, corporation, or other business type, with 30% classified as sole proprietorships and the remaining 2% classified as partnerships. Firm revenues for 2016 averaged \$430,000, with 82% of firms indicating their revenue was less than \$500,000 for the year.

(FIGURE 01)

### FIGURE 02: Nearly half of small firm employees have an ownership stake in their firm

Percent of full-time incumbents for whom salary data were reported, by employment status



# Employees at small firms typically provide a wide variety of professional services

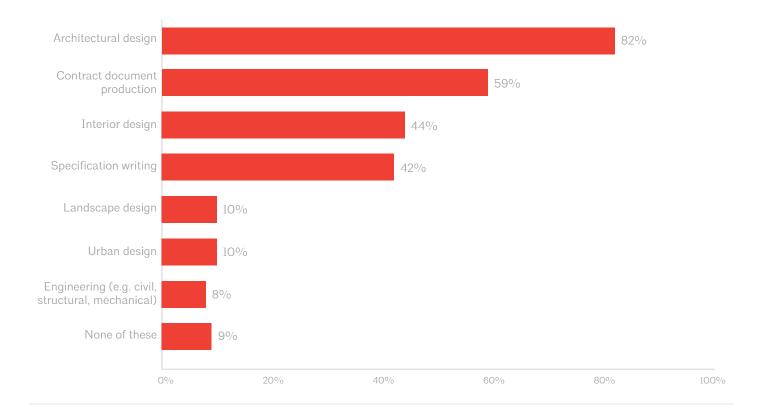
Salary data in the Small Firm Compensation Survey were reported similar to those in the standard 2017 Compensation Survey; one person at each firm location (usually the firm principal) reported the salaries for themselves as well as for all other firm staff. Unlike the standard survey, where positions are described, the small firm survey did not include specific position descriptions. Instead, respondents were asked to select applicable attributes for staff members for whom data were reported, including information such as years of experience, licensure status, and professional services performed. That information was

used to develop the six positions for which compensation data are reported in this report. The results also provide an overview of small firm demographics.

At small firms, 75% of staff for whom salary data were reported were either licensed architects (57%) or emerging professionals on the path to licensure (18%). Of the remaining employees, 9% were design professionals who were eligible for, but not pursuing, licensure and 16% were non-architecture staff who were not eligible for licensure. Nearly half of employees at small firms have some sort of ownership stake in the firm, either as a sole proprietor or as an owner or partner. (FIGURE 02)

FIGURE 03: Professional services performed by full-time employees at small firms include architectural design & contract document production

Percent of full-time incumbents for whom salary data were reported and for whom given professional service is part of their job responsibilities

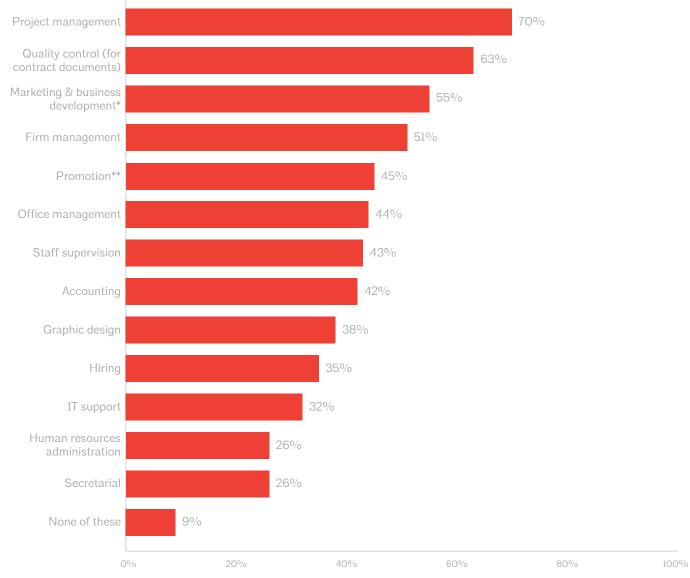


The architecture employees at small firms also tend to be fairly experienced within the profession, with nearly half (49%) having 20 or more years of full-time architecture experience. However, there is also an infusion of newer employees, as just over one-quarter (28%) have fewer than ten years of experience, including 16% who have less than five years of experience.

Employees at small firms are often asked to wear many hats and perform a variety of professional services. Many employees perform architectural design and contract document production as part of their job responsibilities, but there are fewer employees that perform more specialized services like engineering, urban design, and landscape design. (FIGURE 03)

FIGURE 04: Nearly three-quarters of employees at small firms perform project management work

Percent of full-time incumbents for whom salary data were reported and for whom a given job aspect is part of their job responsibilities



<sup>\* (</sup>e.g., proposal writing)

A significant share of employees is also likely to perform tasks related to project management, contract document quality control, marketing and business development, and firm management. While more than one-third have hiring power, only 43% of employees supervise other staff members. (FIGURE 04)

<sup>\*\* (</sup>e.g., awards programs, social media, outreach)

# Small firm employee benefits

Like larger firms, small architecture firms tend to offer their employees a wide variety of benefits and perks, primarily those that focus more on employee retention and quality of life enhancement. The largest share of small firms offers their employees assistance with AIA membership dues in addition to other professional membership dues and certification fees and professional development tools like meetings, seminars, and workshops. Benefits to enhance employee quality of life like flex time, a casual dress code, and a pet-friendly office are offered by one-third or more of small firms. (FIGURE 05)

Medical and dental benefits for both employees and dependents generally are offered by fewer small architecture firms compared to larger firms. Less than half of the firms who responded to the

Small Firm Compensation Survey reported that they offered medical coverage for employees in 2016, in contrast to 100% of firms with 50 or more employees that responded to the standard 2017 Compensation Survey. However, the small firms who responded to the Small Firm Compensation Survey indicating they offered employee medical coverage in 2016 were much more likely to pay for that coverage in full than the firms who responded to the standard 2017 Compensation Survey. Although this number was highest at firms with just one or two employees, more than half of small firms with five or more employees also paid for employee medical coverage in full, in contrast to 45% of firms with fewer than 10 employees from the standard 2017 Compensation Survey.

(FIGURE 06)

FIGURE 05: Professional development & quality of life enhancement benefits are among the employee perks most offered by small firms

Percent of firms offering benefit (regardless of amount paid by firm) to qualifying full-time employees in 2016, by firm size

	All small firms	One employee*	Two employees	Three to four employee	Five or more employees
AIA membership dues	81%	88%	75%	69%	79%
Meetings, seminars, workshops	75%	77%	74%	72%	79%
Casual dress	70%	59%	76%	80%	88%
Licensure fees	69%	78%	66%	56%	64%
Other professional membership dues	61%	71%	56%	42%	60%
Professional certification fees	53%	57%	56%	43%	49%
Medical coverage for employees	44%	28%	44%	56%	84%
Flex-time, parental flexibility	43%	35%	44%	49%	61%
Office-provided cell phone, tablet, and/or laptop	39%	42%	40%	28%	42%
Pet-friendly office	33%	33%	33%	32%	34%
Paid time off for professional exams, professional development	32%	19%	34%	43%	58%
Defined contribution retirement savings plan: 401(k), 401(a), 403(b)	30%	22%	26%	38%	52%
Telecommuting	27%	25%	29%	26%	32%
Medical coverage for dependents	20%	10%	22%	26%	47%
Dental coverage for employees	19%	12%	17%	22%	41%
Paid time off to volunteer	15%	13%	15%	18%	18%
Shorter summer or seasonal hours	15%	16%	14%	16%	14%
Life insurance	15%	14%	9%	14%	32%
Vision care insurance	14%	9%	13%	18%	29%
Paid family leave	13%	6%	15%	14%	29%
ARE exam cost	13%	4%	12%	19%	40%
Long-term disability insurance	12%	8%	8%	13%	29%
ARE study materials, classes	10%	4%	11%	11%	27%
Dental coverage for dependents	10%	4%	9%	14%	28%
Short-term disability insurance	9%	5%	7%	8%	27%
Office retreat	8%	6%	7%	14%	11%
Healthcare flexible spending account (healthcare FSA)	8%	3%	10%	10%	20%
Defined contribution to a profit-sharing plan	7%	4%	9%	6%	16%
Business travel accident insurance	6%	6%	4%	7%	11%
Fitness club discount	5%	5%	3%	4%	7%
Wellness program	4%	4%	7%	4%	5%
College/university tuition	3%	3%	3%	6%	3%
Long-term care insurance	3%	3%	1%	4%	7%
Health reimbursement account	3%	2%	2%	3%	8%
Qualified transportation program	3%	1%	3%	5%	12%
Dependent care account	2%	0%	1%	3%	9%
Defined benefit (pension) plan	2%	3%	2%	3%	1%
Employee stock ownership plan (ESOP)	2%	2%	2%	1%	3%
Other flexible spending accounts (FSAs)	1%	0%	1%	1%	4%

<sup>\*</sup>In all data tables by firm size, the number of employees is the total number of employees, including owners, at the responding location of the firm.

## **Small firm employee benefits**

# FIGURE 06: Firms responding to the Small Firm Compensation Survey were more likely than firms responding to the standard survey to pay for employee medical coverage in full

Percent of firms by amount of medical coverage for employee offered in 2016, of firms that offered benefit, by firm size

	All firms (from the standard survey)	All small firms	One employee	Two employees	Three to four employee	Five or more employees
Offered, contributed 100%	38%	69%	94%	78%	47%	54%
Offered, contributed 75%-99%	34%	8%	0%	0%	22%	10%
Offered, contributed 50% -74%	21%	13%	1%	4%	18%	27%
Offered, contributed 0%-49%	7%	11%	4%	18%	13%	10%

### FIGURE 07: Benefits average 13% of salary for professional staff at small firms

Estimated value of all automatic & defined fringe benefits (note that benefits included will vary by firm) offered to given employee types in 2016, as a percentage of annual base pay, by firm size

	All small firms	One employee	Two employees	Three to four employee	Five or more employees
Professional staff	13%	13%	13%	14%	16%
Technical, nontechnical, & administrative staff	11%	0%	10%	12%	15%
Part-time & hourly staff	5%	0%	10%	5%	6%

The overall value of employee fringe benefits as a share of base pay is modestly lower at the firms who responded to the Small Firm Compensation Survey compared to firms who responded to the standard 2017 Compensation Survey. However, benefits are still worth an average of 13% of the annual base pay of full-time professional employees (compared to 16% for firms with fewer

than 10 employees and who responded to the standard 2017 Compensation Survey). Although part-time and hourly employees at small firms generally receive benefits with less value than full-time employees, there is not much difference between the value for professional staff versus technical, nontechnical, and administrative staff.

(FIGURE 07)

# **Small firm employee benefits**

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### FIGURE 08: Small firms offer an average of 15 paid days off

Average number of paid days off provided to qualifying full-time employees in 2016, by firm size

	All small firms	One employee	Two employees	Three to four employee	Five or more employees
Paid time off (PTO)*	8	6	9	11	11
Paid holidays**	3	I	3	5	5
Paid vacation days**	3	1	3	4	5
Paid sick days**	1	1	1	2	2
Other paid time off (e.g., jury duty, bereavement)**	0	0	0	0	1
Total	15	9	16	22	24

 $<sup>^{*}</sup>$  PTO may include a combination of time off including vacation, sick days, and/or holidays

Comparable to firms that responded to the standard 2017 Compensation Survey, smaller firms tend to lump the majority of paid days off for employees into a general paid time off bucket instead of splitting days into specifically designated buckets (e.g., vacation days, sick days). Small firms with more employees tend to offer more time off in general, particularly more paid holidays. (FIGURE 08)

<sup>\*\*</sup> If not covered by PTO

For the Small Firm Compensation Survey, where pre-defined positions were not established, the following architecture firm positions were defined after all survey data were submitted, based on a review of data patterns:

- A solo architect is a licensed architect working alone, the sole proprietor or owner of the firm.
- A principal is a licensed architect with an ownership interest in a firm with a staff of more than one.
- A staff architect is a licensed architect who is an employee or long-term contractor (i.e., not an owner).
- An emerging architectural professional is an emerging professional on the path to licensure.
- A **designer** is a design professional eligible for, but not pursuing, licensure.
- **Support staff** are individuals not eligible for or pursuing licensure.

Salaries were reported in different formats depending on whether the individual was a sole proprietor:

 Salaries for firm owners who were sole proprietors were conveyed as the firm's 2015 net profit, as reported on Line #31 of IRS Schedule C.

- Salaries for firm owners other than sole proprietors were reported as the full-time annual base pay for the position as of January 1, 2017.
- Salaries for nonowner employees were reported as the full-time annual base pay for the position as of January 1, 2017.
- Additional cash compensation (including overtime, commissions, bonuses, incentive pay, share of profits, retirement benefits paid, and any other cash compensation) awarded for the position in the 12 months preceding January 1, 2017, was also reported. (The value of employee benefits is not included in the compensation tables, but more information on this subject may be found in the chapter on benefits.)

A blank space in a table indicates insufficient information to report those data. For all compensation tables, the median and upper and lower quartiles include total cash compensation (net profit or base pay plus additional cash compensation). The lower quartile marks where 25% of the reported values are lower than the figure given and 75% are higher. The median is the midpoint in the range of values, where 50% are higher than the figure given and 50% are lower. The upper quartile marks where 75% of the reported values are lower than the figure given and 25% are higher.

### **ALL SMALL FIRMS**

	2015 Net	Annual base pay	2016 Additional cash (mean)	TOTAL C	ASH COMPEN	SATION		
	profit (mean)	as of 1/1/2017 (mean)		Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents
Solo architect	\$55,870	\$61,400	\$7,180	\$30,000	\$59,000	\$89,000	234	234
Principal	\$89,520	\$80,570	\$14,750	\$65,000	\$90,000	\$125,000	236	294
Staff architect		\$73,490	\$7,970	\$65,000	\$77,000	\$95,000	100	141
Emerging architectural professional		\$50,100	\$2,150	\$40,210	\$49,000	\$63,800	139	219
Designer		\$57,210	\$4,020	\$45,870	\$60,380	\$77,300	80	103
Support staff		\$47,150	\$3,790	\$33,900	\$45,400	\$66,950	116	193

### FIRM TYPE

ARCHITECTURE ONLY										
	2015 Net	Annual base pay	2016	TOTAL C	CASH COMPEN	ISATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$54,660	\$59,920	\$7,870	\$35,000	\$62,860	\$87,750	132	132		
Principal	\$92,620	\$72,310	\$14,870	\$59,130	\$80,000	\$120,000	124	160		
Staff architect		\$66,280	\$13,170	\$64,500	\$76,000	\$89,250	45	57		
Emerging architectural professional		\$49,580	\$2,550	\$38,320	\$48,900	\$62,750	69	96		
Designer		\$53,950	\$3,340	\$43,000	\$58,000	\$73,440	33	45		
Support staff		\$42,240	\$3,390	\$25,100	\$40,000	\$54,750	57	88		

ARCHITECTURE WITH INTERIOR DESIGN										
	2015 Net	Annual base pay	2016	TOTAL	CASH COMPEN	ISATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$57,280	\$72,520	\$7,400	\$30,750	\$59,720	\$100,000	52	52		
Principal	\$92,570	\$97,810	\$13,760	\$80,000	\$100,000	\$129,030	67	80		
Staff architect		\$75,480	\$3,890	\$65,750	\$75,500	\$85,400	31	54		
Emerging architectural professional		\$49,750	\$1,590	\$41,500	\$49,000	\$62,380	52	92		
Designer		\$60,230	\$2,740	\$47,500	\$62,500	\$81,120	25	30		
Support staff		\$49,800	\$2,480	\$42,000	\$50,000	\$68,000	37	55		

OTHER FIRM TYPE (E.G., A/E, E/A)										
	2015 Net	Annual base pay	2016	TOTAL C	CASH COMPEN	SATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$57,690	\$49,800	\$5,120	\$28,980	\$50,000	\$83,080	50	50		
Principal	\$75,040	\$83,230	\$15,840	\$68,950	\$87,500	\$125,000	45	54		
Staff architect		\$83,610	\$5,440	\$64,500	\$87,310	\$109,770	24	30		
Emerging architectural professional		\$52,800	\$2,560	\$42,400	\$46,500	\$66,410	18	31		
Designer		\$59,210	\$6,480	\$57,250	\$61,350	\$80,840	22	28		
Support staff		\$52,880	\$5,930	\$37,130	\$52,880	\$76,750	22	50		

### FIRM LEGAL STRUCTURE

SOLE PROPRIETORSHIP										
	2015 Net	Annual base pay	2016	TOTAL C	ASH COMPEN	SATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$54,510		\$3,390	\$26,870	\$50,810	\$85,000	100	100		
Principal	\$81,850		\$6,730	\$50,000	\$95,000	\$125,000	41	51		
Staff architect		\$73,870	\$4,450	\$60,050	\$72,500	\$97,250	21	24		
Emerging architectural professional		\$51,430	\$1,330	\$42,610	\$49,310	\$59,630	31	48		
Designer		\$55,710	\$3,590	\$44,350	\$60,000	\$75,000	17	27		
Support staff										

OTHER FIRM LEGAL STRUCTURE (E.G., LLC, PARTNERSHIP)										
	2015 Net	Annual base pay	2016	TOTAL C	CASH COMPEN	SATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$57,460	\$62,530	\$10,000	\$35,000	\$65,000	\$95,210	134	134		
Principal	\$94,250	\$79,190	\$16,430	\$65,000	\$90,000	\$125,000	195	243		
Staff architect		\$73,420	\$8,690	\$66,500	\$77,500	\$92,500	79	117		
Emerging architectural professional		\$49,730	\$2,380	\$39,000	\$49,000	\$64,000	108	171		
Designer		\$57,740	\$4,170	\$46,350	\$60,490	\$77,830	63	76		
Support staff		\$47,250	\$4,070	\$35,000	\$46,000	\$68,500	100	165		

### FIRM SIZE

ONE EMPLOYEE										
	2015 Net	Annual base pay	2016	TOTAL C	CASH COMPEN	ISATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$55,870	\$61,400	\$7,180	\$30,000	\$59,000	\$89,000	234	234		
Principal										
Staff architect		\$75,200	\$8,000	\$51,250	\$82,500	\$104,250	10	10		
Emerging architectural professional		\$32,420	\$4,150	\$23,500	\$36,400	\$40,750	12	13		
Designer		\$51,390	\$730	\$34,000	\$53,000	\$61,000	10	11		
Support staff		\$30,350	\$0	\$16,500	\$30,000	\$45,100	8	8		

TWO EMPLOYEES										
	2015 Net	Annual base pay	2016	TOTAL C	CASH COMPEN	SATION				
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect										
Principal	\$83,200	\$71,070	\$11,850	\$58,000	\$79,000	\$100,000	96	115		
Staff architect		\$57,950	\$14,900	\$58,000	\$80,000	\$90,000	12	15		
Emerging architectural professional		\$47,700	\$1,920	\$35,970	\$48,450	\$55,000	25	25		
Designer		\$54,760	\$8,630	\$42,150	\$64,500	\$80,480	18	18		
Support staff		\$43,500	\$4,770	\$19,250	\$38,720	\$80,000	21	22		

THREE TO FOUR EMPLOYEES										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect										
Principal	\$90,010	\$67,940	\$17,460	\$58,560	\$80,000	\$122,750	80	93		
Staff architect		\$75,370	\$10,020	\$63,000	\$75,000	\$101,750	33	41		
Emerging architectural professional		\$49,310	\$2,060	\$38,500	\$49,500	\$62,180	52	68		
Designer		\$55,940	\$3,000	\$41,200	\$61,310	\$78,000	26	34		
Support staff		\$43,900	\$4,060	\$32,250	\$45,470	\$61,540	44	58		

FIVE OR MORE EMPLOYEES										
	2015 Not	2015 Net Annual base pay		TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	2016 Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect										
Principal	\$98,400	\$105,460	\$15,680	\$91,000	\$110,000	\$143,510	60	86		
Staff architect		\$75,350	\$5,460	\$68,500	\$76,500	\$88,500	45	75		
Emerging architectural professional		\$53,150	\$2,020	\$43,000	\$50,000	\$67,500	50	113		
Designer		\$60,990	\$3,720	\$50,250	\$60,490	\$79,700	26	40		
Support staff		\$50,910	\$3,720	\$37,040	\$50,000	\$68,500	43	105		

### **2016 FIRM REVENUE**

LESS THAN \$100,000										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSAT						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$36,760	\$36,880	\$3,320	\$18,850	\$37,380	\$59,550	114	114		
Principal	\$55,380	\$50,800	\$4,750	\$35,610	\$54,000	\$80,000	19	19		
Staff architect										
Emerging architectural professional		\$27,520	\$130	\$10,250	\$30,000	\$43,880	5	5		
Designer		\$46,760	\$2,790	\$29,500	\$59,300	\$64,730	5	5		
Support staff										

\$100,000-\$249,999										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$77,790	\$66,250	\$9,710	\$56,190	\$85,000	\$107,940	92	92		
Principal	\$73,870	\$53,740	\$9,560	\$49,420	\$66,000	\$88,000	67	78		
Staff architect		\$65,060	\$10,760	\$59,500	\$76,500	\$91,250	16	18		
Emerging architectural professional		\$40,900	\$2,710	\$35,500	\$40,210	\$52,710	23	25		
Designer		\$48,910	\$2,000	\$38,840	\$50,000	\$66,500	12	14		
Support staff		\$33,730	\$5,890	\$21,000	\$35,000	\$51,190	23	23		

\$250,000-\$499,999										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$80,680	\$87,550	\$12,690	\$48,000	\$91,500	\$128,250	26	26		
Principal	\$92,880	\$73,490	\$16,380	\$67,700	\$83,000	\$123,380	87	104		
Staff architect		\$67,880	\$8,270	\$60,460	\$68,000	\$84,000	28	33		
Emerging architectural professional		\$47,530	\$1,600	\$37,000	\$44,600	\$57,000	51	67		
Designer		\$55,760	\$4,130	\$42,930	\$59,620	\$75,750	30	34		
Support staff		\$41,830	\$2,760	\$24,250	\$42,440	\$54,350	34	44		

\$500,000 OR MORE										
	2015 Not	2015 Net Annual base pay		TOTAL C	CASH COMPEN	ISATION				
	profit (mean)	as of 1/1/2017 (mean)	2016 Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect										
Principal	\$124,200	\$108,100	\$19,320	\$100,000	\$121,310	\$158,000	63	93		
Staff architect		\$78,910	\$7,600	\$70,440	\$80,000	\$102,750	53	86		
Emerging architectural professional		\$54,330	\$2,410	\$44,470	\$55,250	\$69,000	60	122		
Designer		\$61,560	\$4,630	\$51,880	\$68,750	\$80,510	33	50		
Support staff		\$51,350	\$3,800	\$36,750	\$49,310	\$72,000	58	125		

### FIRM LOCATION

NORTHEAST										
	2015 Net	Annual base pay	2016	TOTAL C	TOTAL CASH COMPENSATION					
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$51,780	\$57,410	\$7,430	\$32,190	\$61,440	\$87,930	56	56		
Principal	\$96,170	\$68,020	\$8,450	\$65,000	\$83,200	\$112,500	57	65		
Staff architect		\$74,530	\$9,470	\$71,500	\$83,500	\$98,000	25	35		
Emerging architectural professional		\$49,550	\$2,300	\$37,690	\$48,650	\$64,100	43	66		
Designer		\$61,360	\$2,960	\$52,000	\$61,500	\$82,250	19	25		
Support staff		\$46,400	\$4,240	\$35,630	\$47,650	\$71,750	29	48		

MIDWEST										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$52,420	\$78,030	\$9,110	\$42,500	\$63,730	\$95,420	45	45		
Principal	\$71,820	\$81,970	\$21,590	\$62,500	\$95,000	\$131,500	44	61		
Staff architect		\$72,610	\$12,620	\$69,090	\$78,750	\$104,720	16	26		
Emerging architectural professional		\$43,900	\$2,920	\$39,820	\$44,620	\$50,720	19	30		
Designer		\$55,250	\$2,810	\$43,000	\$59,000	\$68,340	10	12		
Support staff		\$42,960	\$2,610	\$36,130	\$44,500	\$55,840	17	26		

SOUTH										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$67,770	\$47,160	\$6,490	\$38,170	\$59,200	\$88,750	60	60		
Principal	\$94,260	\$80,560	\$15,650	\$64,320	\$83,000	\$130,000	72	92		
Staff architect		\$72,750	\$6,110	\$62,000	\$75,000	\$85,000	29	43		
Emerging architectural professional		\$49,030	\$1,730	\$37,750	\$49,000	\$64,100	33	49		
Designer		\$48,740	\$6,730	\$44,350	\$52,000	\$69,500	20	27		
Support staff		\$47,600	\$3,760	\$31,000	\$44,000	\$66,500	34	65		

WEST										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$51,100	\$59,930	\$6,360	\$25,500	\$51,260	\$89,000	73	73		
Principal	\$90,250	\$86,760	\$13,550	\$67,700	\$97,640	\$126,500	63	76		
Staff architect		\$74,010	\$5,440	\$61,760	\$71,030	\$92,500	30	37		
Emerging architectural professional		\$53,830	\$1,970	\$43,000	\$55,250	\$65,000	44	74		
Designer		\$61,010	\$3,190	\$46,000	\$68,500	\$80,000	31	39		
Support staff		\$49,360	\$3,990	\$29,500	\$46,450	\$69,750	36	54		

### INCUMBENT YEARS OF FULL-TIME ARCHITECTURE EXPERIENCE

LESS THAN 5 YEARS									
	2015 Net	Annual base pay	2016	TOTAL	ASH COMPEN	SATION			
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents	
Solo architect									
Principal									
Staff architect		\$56,800	\$2,000	\$47,880	\$61,150	\$66,000	6	6	
Emerging architectural professional		\$43,650	\$1,560	\$37,880	\$43,230	\$51,000	81	106	
Designer		\$45,420	\$1,970	\$37,880	\$43,000	\$56,060	18	22	
Support staff		\$39,790	\$2,390	\$24,940	\$37,000	\$48,850	28	41	

5-9 YEARS										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$57,340		\$5,500	\$27,500	\$58,000	\$84,010	6	6		
Principal										
Staff architect		\$65,680	\$3,490	\$58,480	\$65,500	\$71,240	19	20		
Emerging architectural professional		\$53,570	\$3,120	\$43,250	\$53,920	\$70,900	55	63		
Designer		\$52,360	\$3,100	\$43,450	\$51,500	\$64,500	13	17		
Support staff		\$51,050	\$3,710	\$40,000	\$50,000	\$71,000	18	19		

10-19 YEARS										
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION						
	profit (mean)	as of 1/1/2017 (mean)	Additional cash (mean)	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$55,660	\$51,050	\$7,910	\$47,060	\$59,000	\$79,250	50	50		
Principal	\$88,930	\$78,600	\$8,890	\$64,770	\$90,000	\$106,250	45	50		
Staff architect		\$72,190	\$4,950	\$63,500	\$76,000	\$86,200	42	48		
Emerging architectural professional		\$61,340	\$2,170	\$50,000	\$65,700	\$74,200	36	42		
Designer		\$63,790	\$5,570	\$59,650	\$71,000	\$83,000	34	37		
Support staff		\$47,960	\$3,770	\$28,250	\$47,500	\$74,900	28	29		

20-29 YEARS										
	2015 Net Annual base pay 2		2016	TOTAL C	CASH COMPEN	SATION				
	profit (mean)	as of 1/1/2017 (mean)	2017 Additional	Lower quartile	Median	Upper quartile	Number of firms	Number of incumbents		
Solo architect	\$54,430	\$69,420	\$6,690	\$30,000	\$52,050	\$93,330	67	67		
Principal	\$90,410	\$76,670	\$14,560	\$64,770	\$88,000	\$120,000	91	105		
Staff architect		\$83,970	\$12,540	\$73,500	\$90,000	\$115,000	37	41		
Emerging architectural professional										
Designer		\$60,520	\$2,440	\$49,750	\$61,100	\$79,100	18	18		
Support staff		\$49,110	\$8,170	\$38,500	\$57,000	\$79,000	20	21		

### INCUMBENT YEARS OF FULL-TIME ARCHITECTURE EXPERIENCE

30 OR MORE YEARS									
	2015 Net	Annual base pay	2016	TOTAL CASH COMPENSATION					
	profit (mean)	as of 1/1/2017 (mean)	as of 1/1/2017 Additional		Median	Upper quartile	Number of firms	Number of incumbents	
Solo architect	\$56,760	\$66,410	\$7,230	\$30,000	\$60,000	\$94,820	111	111	
Principal	\$89,260	\$85,010	\$17,620	\$67,300	\$95,000	\$129,680	115	133	
Staff architect		\$69,240	\$11,160	\$72,130	\$82,500	\$91,250	19	26	
Emerging architectural professional									
Designer		\$63,210	\$9,160	\$60,600	\$67,600	\$98,400	7	7	
Support staff		\$47,010	\$3,340	\$33,000	\$46,600	\$72,000	11	11	

# Appendix 1 Methodology

### Sample composition

Invitations to the AIA 2017 Compensation Survey were extended to 9,496 uniquely addressable emailable architecture establishments (i.e., single locations of what might be multiple-location firms), developed from three lists supplied by AIA: Its HR Large Firm Roundtable participants, its "firm leaders," and its respondents to the 2015 Compensation Survey. In addition, open invitations to complete the survey were published and broadcast by AIA and its component organizations through different channels.

For the first time, the 2017 invitation list also included a substantial number of email addresses believed to lead to small firms—firms who have not historically qualified for the AIA's standard Compensation Survey. A small firm version of the survey was created as an option for those respondents, and this report is based on those responses.

### **Data collection**

Survey instrument content was developed collaboratively by AIA and Readex Research, working from the instrument used in 2015. Development of the survey website, data collection, data processing, and tabulation were handled by Readex Research.

Prior to survey fielding, Readex contacted the list of 135 emailable AIA component leaders to

alert them to the upcoming survey and to ask them to spread the word locally. After AIA emailed the invitation list on March 15, 2017, Readex broadcasted initial email requests (in the name of AIA's president) to all sample members on March 16, inviting them to participate in the survey by visiting the access-controlled website hosted by Readex Research. 230 of the email addresses (or 2% of the total) bounced back as undeliverable.

On March 22, reminder emails were sent by Readex to the sample members who had not yet submitted one or the other version of the survey. Three additional reminders to nonrespondents were deployed on March 28, April 3, and April 13. Throughout the fielding, leaders of AIA's various component organizations (metro and state chapters) also assisted in prompting local members to participate.

The survey was closed for processing and tabulation on April 19, 2017. A total of 621 unique firms qualified for the small firm version of the survey, based on the following criteria:

- · only one office, in the US
- organized as a sole proprietorship (with or without staff)
- or chartered in some other way but having only one or two architecture employees
- · at least one full-time architecture employee

## **Appendix 1: Methodology**

FIGURE A.1: Distribution of firms responding to the Small Firm Compensation Survey, by size

	% of firms
	70 OI IIIIIS
One employee	46%
Two employees	21%
Three to four employees	19%
Five or more employees	14%

FIGURE A.2: Distribution of full-time incumbents for whom salary data were reported in the Small Firm Compensation Survey, by position

	% of firms
Solo architect	20%
Principal	25%
Staff architect	12%
Emerging architectural professional	18%
Designer	9%
Support staff	16%

These 621 firms reported on 1,303 full-time staffers (owner/partners, employees, and/or long-term contractors).

Survey data were edited and cleaned by Readex. Compensation data were screened for outliers and trimmed by position (top and bottom 2% of distribution) to enhance reliability.

Small firm results are broken out by firm characteristics—firm type, legal structure,

number of employees, revenues, and location (Census regions)—and by characteristics of the staff member—ownership status, licensure, experience, professional services provided, and other aspects of their work.

To preserve participant confidentiality and enhance reliability, no statistics are shown in cases where fewer than five firms reported.

# Appendix 2 Survey questionnaire

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### **Contact Info**

### k1. This firm meets these criteria:

- it has only one office, and it is in the U.S.
- it is organized as a "sole proprietorship" (with or without staff)
- OR it is chartered in some way other than sole proprietorship, but has only 1 or 2 architecture employees
- it has at least 1 full-time architecture employee

"Architecture employees" includes principals/partners or other major owners of the firm, licensed architects, nonregistered graduates, and architecture associates (formerly referred to as interns) and/or students. It does not include engineers, interior designers, landscape architects, planners, or other non-architecture staff.

Count full- and part-time employees (on the payroll); do not count contractors.

- O yes, this firm meets these criteria
- $\bigcirc$  n

This survey only applies to firms meeting this criteria. After selecting no, click save below to return to the Navigate page, then click close there to return to the Select Survey page, where you may choose to complete the other version of the survey (if appropriate).

### \*2. Can you personally provide information about staffing and compensation for your firm?

- o yes
- $\ \, \cap \ \, \mathsf{no}$

### If yes:

Please complete Q3 below, check the box at the bottom of the page to mark this survey section as ready to submit, then click save to return to the Navigate page, where you can answer the other survey sections.

### If no

Please select no and click save, then either share your User Name and Password with the person(s) who can answer for your firm, or contact us to let us know who can, and we'll invite them.

### \*3. Who should we contact if we have questions about your firm's survey?

firm name:	
your name:	
full phone number:	
email address:	
(if a member)	

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Please answer these qu	uestions as (	of January	1,	, 2017.
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	and another those quotiene as or samaly 1, 2011.
1.	Which designation(s) best describe your firm? please select all that apply
	□ architecture only □ architecture with engineering □ architecture with interior design □ architecture with other design disciplines
	□ engineering with architecture □ other:
2.	What is your firm's legal structure? please select the one best option
	<ul><li>sole proprietorship</li><li>partnership</li></ul>

<b>*3</b> .	Where	is	your	firm	located?
-------------	-------	----	------	------	----------

city:	
ZIP:	
state:	<select ane=""> ▼</select>

 $\circ$  LLC, corporation or other business type

# \*4. Including yourself (if applicable), how many full-time employees did your firm have on its payroll in each of these categories as of January 1, 2017? How many part-time employees? How many long-term contractors, full- or part-time?

Please fill in a whole number for each (headcount); if none, enter 0. Record each staff person in only one cell.

	full-time	part-time	full-time long-term	part-time long-term
Architecture staff:	employees	employees	contractors	contractors
principals/partners or other major owners of the firm	#	#	#	#
licensed architects (other than principals/partners)	#	#	#	#
nonregistered graduates	#	#	#	#
architecture associates (formerly referred to as interns) and/or students	#	#	#	#
Other staff:				
other professional design staff (engineers, interior designers, landscape architects, planners, etc.)	#	#	#	#
all others	#	#	#	#
TOTAL LONG-TERM STAFF: #_000_				

<sup>k</sup>5. Approximately what was your firm's total revenue in 2016?

0	less than \$100,000
0	\$100,000 - \$249,999
0	\$250,000 - \$499,999
0	\$500,000 - \$999,999
0	\$1.00 - \$2.49 million
0	\$2.50 - \$4.99 million
0	\$5.00 - \$9.99 million

\$10.00 - \$14.99 million\$15.00 million or more

Cor	Compensation: 0000 Full-Time Staffers			
Plea	ase answer these questions as of January 1, 2017.			
1.	Your internal code / title / reference for this position (for your use only):			
2.	What is this person's architectural licensure status?  O licensed architect  O emerging professional on the path to licensure  O design professional eligible for, but not pursuing, licensure  O not eligible for or pursuing licensure			
3.	Approximately how many years of full-time architecture experience does this person have?  #   not applicable			
4a.	Which of these professional services are part of this person's job responsibilities (if any)?  please select all that apply  architectural design interior design engineering (e.g., structural, mechanical, civil) landscape design urban design contract document production specification writing none of these			
4b.	Which of these other aspects are part of this person's job responsibilities (if any)?  please select all that apply  quality control (for contract documents) project management firm management, strategy, vision staff supervision accounting, receivables, payables hiring staff marketing and business development (e.g., proposal writing) promotion (e.g., awards programs, social media, outreach) graphic design human resources administration IT support office management secretarial none of these			

۴5.	What is this person's employment status?				
	O owner: sole proprietor (IRS Schedule C or C-EZ filer)				
	O owner/partner (not a sole proprietor)				
	o employee (W2)				
	O long-term contractor (1099)				
⊧6a.	If this person is the <i>sole proprietor</i> of the firm, what was the firm's 2015 <i>net profit</i> (as reported on Line #31 of IRS Schedule C)?				
	\$ net profit				
⊧6b.	If not the sole proprietor, what was the full-time annual base pay for this position as of January 1, 2017?				
	If necessary, express pay <i>rates</i> (hourly wage, contractor day rate, etc.) as a full-time annual amount. If base pay is not a part of position's compensation, enter 0.				
	\$ per year				
<b>∗7.</b>	How much <u>additional</u> cash compensation (if any) was this position awarded in the 12 months preceding January 1, 2017?				
	Include overtime (discretionary and/or mandated by law), commissions, bonuses, incentive pay, share of profits, retirement benefits paid, and any other <i>cash</i> compensation. Exclude base pay, deferred compensation, and the monetary value of employee benefits. If nothing, enter 0.				
	\$ additional cash compensation (beyond Q6a/Q6b)				
8.	Which of these are components of this position's compensation?  please select all that apply				
	□ salary				
	□ hourly wage □ long-term contracting rate (hourly, weekly, monthly)				
	variable pay (commissions, incentives, bonuses)				
	share of profits				
	none of these				
	a note of diese				

Benefits
----------

Please answer these questions as of January 1, 2017.

1. On average, how many paid days off per year did your firm provide to its qualifying full-time employees in 2016? enter an approximate average for each; if none, enter 0

#	paid time off (PTO) - usually combines vacation, sick days, and/or holidays
#	paid holidays - if not covered by PTO
#	paid vacation days - if not covered by PTO
#	paid sick days - if not covered by PTO
#	other paid time off (e.g., jury, bereavement - if not covered by PTO)
# 000	TOTAL naid days off ner year

Which of these benefits (if any) were offered to qualifying full-time employees in 2016 by your firm? please select all that apply

paid family leave (e.g., maternity leave)
wellness program with incentives for participation
fitness club discount
flex-time, parental flexibility
telecommuting
office-provided cell phone, tablet, and/or laptop
paid time off for professional exams, professional development
paid time off to volunteer

- ☐ shorter summer or seasonal hours
- □ office retreat
- $\hfill\Box$  casual dress
- □ pet-friendly office
- $\ \square$  none of these

3. In which of these ways (if any) did your firm contribute to the professional development of qualifying full-time employees in 2016? please select one response for each

firm paid in full	firm paid in part	firm paid nothing	
0	0	0	AIA membership dues
0	0	0	other professional membership dues
0	0	0	licensure fees
0	0	0	professional certification fees
0	0	0	ARE exam cost
0	0	0	ARE study materials, classes
0	0	0	meetings, seminars, workshops for professional development
0	0	0	college/university tuition

4. Did your firm offer medical coverage for qualifying full-time employees in 2016 and, if so, approximately what share of the total premium did the firm contribute? What about medical coverage for their dependents? please select one response in each column

for employees	for dependents	
0	0	did not offer
0	0	offered, contributed 0% of total premium
0	0	offered, contributed 1-24%
0	0	offered, contributed 25-49%
0	0	offered, contributed 50-74%
0	0	offered, contributed 75-99%
0	0	offered, contributed 100%

a.	Was the medical	coverage (	(if offered)	considered a	high-deductible	plan?

 $\circ$  yes  $\circ$  no  $\circ$  did not offer medical coverage

5. Did your firm offer dental coverage for qualifying full-time employees in 2016 and, if so, approximately what share of the total premium did the firm contribute? What about dental coverage for their dependents? please select one response in each column

for employees	for dependents	
0	0	did not offer
0	0	offered, contributed 0% of total premium
0	0	offered, contributed 1-24%
0	0	offered, contributed 25-49%
0	0	offered, contributed 50-74%
0	0	offered, contributed 75-99%
0	0	offered, contributed 100%

6. What insurances (if any) did your firm offer qualifying full-time employees in 2016 and, if offered, how much of the premium did the firm pay? please select one response for each

	firm did not offer	firm offered, paid nothing	firm offered, paid in part	firm offered, paid in full
vision care insurance	0	0	0	0
life insurance	0	0	0	0
long-term disability insurance	0	0	0	0
short-term disability insurance	0	0	0	0
business travel accident insurance	0	0	0	0
long-term care insurance	0	0	0	0

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7. Which of these accounts (if any) did your firm offer to qualifying full-time employees in 2016 and, if offered, did the firm contribute? please select one response for each

firm offered, contributed	firm offered, did not contribute	not offered	
0	0	0	healthcare flexible spending account (healthcare FSA)
0	0	0	health reimbursement account
0	0	0	dependent care account
0	0	0	qualified transportation program (e.g., transit, bikeshare pass)
0	0	0	other flexible spending accounts (FSAs)

8. Which of these plans (if any) did your firm offer to qualifying full-time employees in 2016 and, if offered, did the firm contribute? please select one response for each

firm offered, contributed	firm offered, did not contribute	not offered	
0	0	0	defined contribution retirement savings plan: 401(k), 401(a), 403(b)
0	0	0	defined contribution profit sharing plan
0	0	0	defined benefit (pension) plan
0	0	0	employee stock ownership plan (ESOP)

9. For each group listed, approximately what was the value of all fringe benefits offered in 2016 to qualifying employees?

Please compute as a percentage of annual base pay. Include all benefits covered in questions above. Include all items that are automatic and defined; exclude items that depend on financial performance, such as profit sharing and discretionary year-end bonuses.

If no qualifying staff in a category, select the NA box.

benefits value	NA	
%		professional staff (architects, engineers, and other design professionals)
%		technical, nontechnical, and administrative staff
%		part-time and hourly staff
%		other:



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