



For more information, contact: Tessa Lavender-Beck, 201-474-1513, tlavenderbeck@imanet.org
Elinor Kinnier, 703-610-0204, ekinnier@cmgresults.com

NEWS FOR IMMEDIATE RELEASE

SARBANES-OXLEY REQUIREMENTS BOOST VALUE OF CMA CERTIFICATION

New Survey Reveals Salaries for Management Accountants Rising

Montvale, N.J., June 16, 2005 – Top management accountants and finance professionals pulled ahead of public accountants in both average salary and total compensation in 2004 as the new auditing requirements of the Sarbanes-Oxley Act took effect. Public accounting, which held the top spot in 2003, fell to 6th place last year with management accountants and finance professionals rising to first and second place, according to the findings of the 16th annual salary survey conducted by the Institute of Management Accountants (IMA).

Salaries and compensation were found to be higher for professionals holding a Certified Management Accountant (CMA) credential only (\$97,908), than for those with a Certified Public Accountant credential (\$93,104) alone. Professionals holding both certifications had the highest earnings of all (\$105,155), and those with neither certification had the lowest (\$79,763).

"These changes in salary and overall compensation are a direct result of Sarbanes-Oxley," says IMA President and Chief Executive Officer Paul Sharman. "The Certified Management Accountant (CMA) credential has never been more valuable than it is today, and we expect this trend to continue. The CMA advances the careers of management accountants and financial professionals working inside organizations by continuously building competencies, ensuring a broad skill set that is current and relevant to today's business and adherence to a professional code of ethics. The results of the salary survey quantitatively affirm the benefit of holding a CMA."

Top finance professionals earned an average of \$104,962 in salary and \$124,288 in total compensation last year. The salaries of general management averaged \$104,876 and their total compensation surpassed finance professionals at \$128,278, according to the IMA survey.

Internal auditors, who held the number three spot, reported average salaries of \$102,385 and total compensation of \$121,727. By contrast, public accountants reported average salaries of \$96,209 and average compensation of \$110,465 last year.

Results of the survey of approximately 1,400 IMA members appear in the June issue of *Strategic Finance* magazine. The survey was conducted by Karl E. Reichardt, CMA, Associate Dean and associate professor of accounting in the College of Business Administration of Valparaiso University, and David L. Schroeder, associate professor of information and decision sciences at Valparaiso's College of Business Administration. Results are available on the IMA website at (www.imanet.org) in the *Strategic Finance* portion of the site.

...MORE

IMA Salary Survey Results – add one

The salary gains were not limited to those in management. Median income for internal auditors in the 20th percentile, the bottom fifth in terms of earnings, rose to \$62,250 last year from \$58,900 in 2003 and \$55,000 in 2002, the IMA survey found.

The overall salary and compensation gains, while marginally smaller than in previous years, were comfortably ahead of last year's 3.4 percent increase in consumer prices. By contrast, average public accountant salaries remained flat in 2004, a time when workers in many professions lost ground against inflation.

"Management accountants build sustainable quality within businesses, providing strategic direction from a financial perspective and driving improved performance," Sharman says. "The CMA credential indicates a dedicated, well-rounded financial professional desirable for businesses wanting to build a stronger organization and rewarding for career-minded individuals who want to increase their earnings, particularly women, as the study revealed."

Women's salaries were found to be far closer to men's for the internal auditors taking part in the survey than for women accountants and auditors nationally. At the senior management level, the women internal auditors earned salaries that were 93.3 percent of their male counterparts. In other words, the women earned just over 93 cents for every dollar earned by the men. At the entry and lower levels, women made just over 90 cents for every dollar earned by men, but the gap widened for salaries in middle and senior management.

According to the U.S. Department of Labor, women's salaries for accounting and auditing positions were only 74.9 percent of men's nationally in 2002, the latest year for which national figures are available.

But the IMA study found a much wider gap between female and male internal auditors when total compensation, rather than just salary, was taken into account. For example, a woman auditor who heads a department but does not report directly to either the CEO or board earned an average salary of \$98,163 last year compared to \$109,043 paid to a male auditor for the same job. But her total compensation was \$115,985 compared to \$130,043 for her male counterpart. The most common forms of additional compensation were bonuses and profit sharing, but automobile allowances, stock options, summer school teaching and overtime were also in the mix.

###

Attend a press briefing, Monday, June 20, 2005, at the Marriott Copley Center in Boston, Mass., at 9:30 a.m. to discuss the impact of the upcoming anniversary of Sarbanes-Oxley on the accounting profession with IMA President and Chief Executive Officer Paul Sharman and IMA Board Chairman Larry White. For those unable to attend in person, a dial-in number will be provided. Call for details, Elinor Kinnier 703-610-0204.

About the Institute of Management Accountants (IMA)

With a worldwide network of 70,000 professionals, IMA is the world's leading organization dedicated to empowering managerial finance and accounting professionals to participate within their organizations to create economic value. Through certification, continuing education, thought leadership, networking, and advocacy of the highest ethical and professional practices, IMA equips financial management and management accounting professionals to create value and build quality financial practices into their organizations, helping to ultimately rebalance the accountancy profession. For more information about IMA, visit www.imanet.org.