



**Pragmatic Marketing's
Annual
Product
Management
Salary
Survey**

2005

By Steve Johnson



Each year Pragmatic Marketing® conducts a survey of product managers and marketing professionals. Our objective is to provide Pragmatic Marketing clients with industry information about compensation as well as the most common responsibilities for product managers and other marketing professionals.

A total of 484 product management and marketing professionals responded to the survey.

The survey was conducted during the period of November 7-24, 2005 using WebSurveyor. →



| US region ⁽¹⁾ | Female | | | Male | | | Overall | | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| | Salary | Bonus | Total | Salary | Bonus | Total | Salary | Bonus | Total |
| Midwest | \$73,211 | \$6,500 | \$79,711 | \$90,280 | \$10,500 | \$100,780 | \$82,909 | \$9,088 | \$91,997 |
| Northeast | 89,944 | 11,000 | 100,944 | 98,556 | 11,563 | 110,119 | 95,685 | 11,439 | 107,124 |
| Pacific | 93,474 | 12,500 | 105,974 | 97,219 | 10,471 | 107,690 | 95,824 | 11,387 | 107,211 |
| South | 82,450 | 11,769 | 94,219 | 86,972 | 8,179 | 95,151 | 85,175 | 9,452 | 94,627 |
| Southwest | 80,000 | 6,667 | 86,667 | 98,375 | 21,667 | 120,042 | 90,500 | 16,667 | 107,167 |
| West | 103,200 | 16,600 | 119,800 | 92,583 | 11,778 | 104,361 | 94,414 | 12,826 | 107,240 |
| Overall Average | \$85,414 | \$10,857 | \$96,271 | \$93,516 | \$10,976 | \$104,492 | \$90,610 | \$10,961 | \$101,571 |
| Canada ⁽²⁾ | 63,002 | 8,501 | 71,503 | 75,000 | 7,958 | 82,958 | 70,909 | 8,139 | 79,048 |

(2) Canada amounts requested in U.S. \$.
We did not receive adequate responses from other countries to report statistically valid data.

(1) Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)
Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT)
Pacific (Alaska, CA, Hawaii, OR, WA)
South (AL, FL, GA, KY, MD, MS, NC, SC, TN, VA, WV)
Southwest (AR, LA, OK, TX)
West (AZ, CO, ID, MT, NM, NV, UT, WY)

In 2001, 29% wrote specs, today 52% write specs.

And back in 2001, 50% were in the marketing dept.
but today 15% are in the marketing dept.

Profile of a product manager

- The average product manager is 36 years old
- 87% claim to be “somewhat” or “very” technical
- 90% have completed college and 46% have completed a masters program
- 33% are female; 67% are male
- The typical product manager has responsibility for three products

Organization

The typical product manager reports to a director in the marketing department.

- 46% report to a director
- 28% report to a VP
- 5% report directly to the CEO
- 15% are in the marketing department
- 21% are in the product management department
- 12% are in Development or Engineering
- 5% are in a sales department

Impacts on productivity

- Product managers receive 50 emails a day and send about 25
- Product managers spend roughly two days a week in internal meetings (15 meetings/week)
- But 50% are going to 15 meetings or more each week, and 27% attend 20 or more meetings!

Working with Development

The majority of product managers are researching market needs, writing requirements, and monitoring development projects.

- 66% researching market needs
- 54% preparing business case
- 19% performing win/loss analysis
- 79% monitoring development projects
- 77% writing requirements (the “what” document)
- 52% writing specifications (the “how” document)

Working with Marketing Communications and Sales

Product managers also spend time providing technical content for Marketing and Sales.


- 49% writing promotional copy
- 23% creating web content
- 47% approving promotional materials
- 16% working with press and analysts
- 51% training sales people
- 44% going on sales calls

Compensation

Average U.S. product management compensation is \$90,610 salary plus \$10,961 annual bonus (79% of product managers get a bonus).

Our bonuses are based on

- 60% company profit
- 32% product revenue
- 41% quarterly objectives (MBOs)

Almost 37% say the bonus does not motivate at all and only 12% say the bonus motivates a lot. 

Steve Johnson is an expert in technology product management. He works for Pragmatic Marketing® as an instructor for the top-rated courses Practical Product Management® and Requirements That Work™ as well as onsite courses. Contact Steve at sjohnson@PragmaticMarketing.com

