

# 2013 EXECUTIVE COACHING SURVEY 8TH ANNUAL EARNINGS REPORT

## STEADY AS SHE GOES

The world of executive coaching is in a state of guarded optimism this year. Coaches and clients alike wait for the economy to match the optimism executive coaches have been feeling the past two years.

Our eighth annual Executive Coaching Survey confirmed what we suspected: everyone sees more money being spent on coaching in the year to come. Substantial increases are expected. It's not just coaches who are optimistic. For the second year, that belief is held by coaches, HR and training professionals alike.

With this backdrop, we present our annual report on coaches' earnings, sponsored by Sherpa Coaching and the executive education departments at the University of Georgia, Texas Christian University and Miami University.



# Executive Summary

The Executive Coaching Survey is a market research project now in its eighth year. Our master report, like this earnings report, is available at [www.sherpacoaching.com](http://www.sherpacoaching.com).

With thanks to our university sponsors, this is the longest-running research of its kind, uniquely positioned to identify trends that will affect the future of almost every organization. Results are reported each year at no charge, as a service to coaching and the business public at large.

Here is what we are seeing this year:

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## Reaching New Heights

Executive coaching is now a permanent fixture in the modern organization. The perceived value and the credibility of coaching are at all-time highs. A breakthrough in our 2012 report was confirmed and strengthened this year, as coaching's value and credibility continue to grow.

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## Going New Places

The response to this survey demonstrates, year after year, that executive coaching is spreading across the globe. Coaches, executives, HR and training professionals from 53 countries participated this year, breaking all the records.

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## Creating New Cultures

Demand for coaching has grown. It will continue to rise. As coaching takes hold, it changes corporate cultures: the way people relate, behave and interact inside business, governments, schools and non-profits. One-on-one coaching has given birth to team coaching and 'coaching skills' programs for managers and executives.

This earnings report is an addendum to the 8th annual Executive Coaching Survey. For a copy of the full survey, a 40-page report, visit [www.sherpacoaching.com](http://www.sherpacoaching.com)

# Earnings for Executive Coaches

Although our annual survey centers on executive coaching, we get responses from life coaches and business coaches as well. Out of respect for their time and interest, we always report on their earnings as well.

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## Average Hourly Earnings

Executive Coaches: \$320, unchanged from 2012  
(coaches who work on behavioral issues)  
Business Coaches: \$240, unchanged from 2012  
(help clients develop knowledge and skills)  
Life Coaches: \$130, down from \$160 in 2012  
(advisors on personal, wellness and life issues)

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## Average Number of Clients

(meetings per week)  
Executive Coaches: 6.45, down from 6.52 in 2012  
Business Coaches: 6.20, up from 6.04 in 2012  
Life Coaches: 7.70, up from 6.36 in 2012

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## Annual Earnings

Executive Coaches: \$103,800, down from \$106,000 in 2012  
Business Coaches: \$ 74,550, up from \$ 71,000 in 2012  
Life Coaches: \$ 49,890, down from \$ 55,450 in 2012

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That sets the stage for a more detailed look at coaches' earnings, broken out by location, experience and other factors that affect earning.

# Billing Rates by country (in US dollars):

## 8th Annual Executive Coaching Survey - Australia and New Zealand

<u>Question</u>	<u>Response</u>	
<b>8th Executive Coaching Survey (2013)</b>	<b>1/15/2013</b>	
On average, I charge an hourly rate for coaching services of (in US \$)	c. \$150 - 299	32%
	d. \$300 - 500	61%
	e. More than \$500	7%

## 8th Annual Executive Coaching Survey - Canada

<u>Question</u>	<u>Response</u>	
<b>8th Executive Coaching Survey (2013)</b>	<b>1/15/2013</b>	
On average, I charge an hourly rate for coaching services of (in US \$)	b. \$75 - \$149	16%
	c. \$150 - 299	44%
	d. \$300 - 500	38%
	e. More than \$500	2%

## 8th Annual Executive Coaching Survey - South Africa

<u>Question</u>	<u>Response</u>	
<b>8th Executive Coaching Survey (2013)</b>	<b>1/15/2013</b>	
On average, I charge an hourly rate for coaching services of (in US \$)	a. up to \$75	29%
	b. \$75 - \$149	26%
	c. \$150 - 299	28%
	d. \$300 - 500	16%
	e. More than \$500	1%

## 8th Annual Executive Coaching Survey - USA

<u>Question</u>	<u>Response</u>	
<b>8th Executive Coaching Survey (2013)</b>	<b>1/15/2013</b>	
On average, I charge an hourly rate for coaching services of (in US \$)	a. up to \$75	3%
	b. \$75 - \$149	12%
	c. \$150 - 299	39%
	d. \$300 - 500	37%
	e. More than \$500	8%

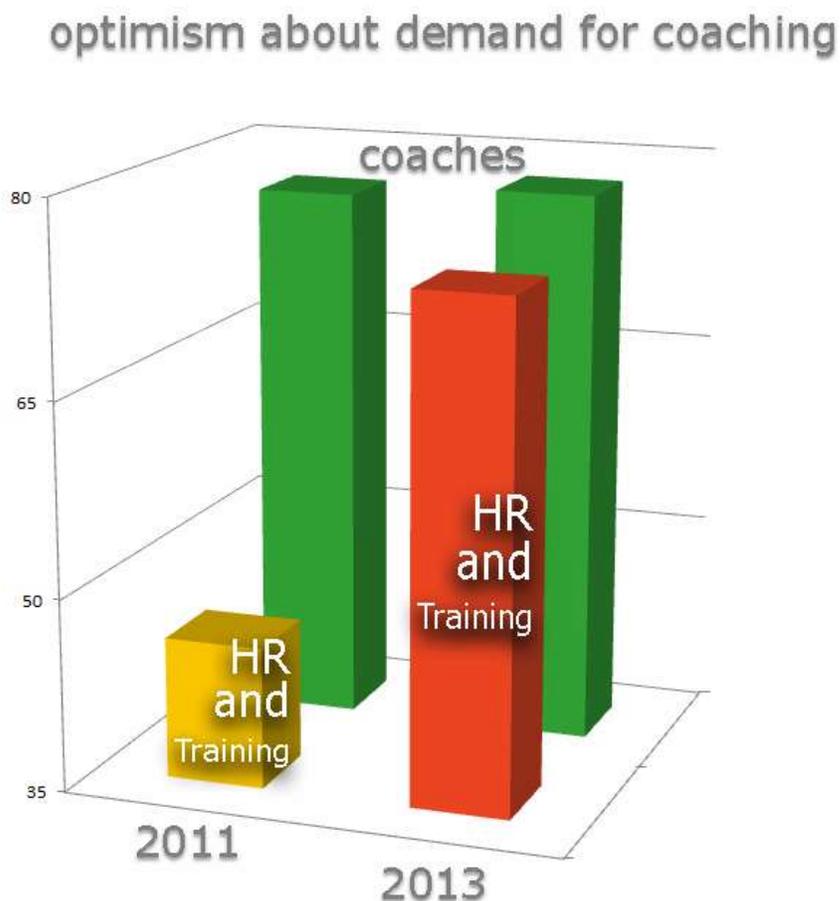
## Demand for Coaching

For coaches, it's nice to know what to expect when it comes to revenue. For several years in a row, we have asked both coaches and business professionals to predict demand for coaching in the coming year.

Requests for coaching are on the rise. Three out of four executive coaches see an increase in the demand for coaching in the coming year. This time around, HR and training professionals are even more optimistic than coaches themselves. That's a switch from two years ago, when executive coaches were far more hopeful than their colleagues in HR & training.

Employers are increasingly footing the bill for coaching, as opposed to clients paying for services out of pocket. The number of executive coaches who report employers paying for some or all of their engagements reached a record 81% two years ago, then increased again to 87% in last year's report and climbed to 88% in 2013.

Globally, coaches working exclusively with 'employer-paid' clients are now at a record high 65%, matching last year's mark, up from 49% in our 2006 report.



# Coaching Confidence Index (CCI)

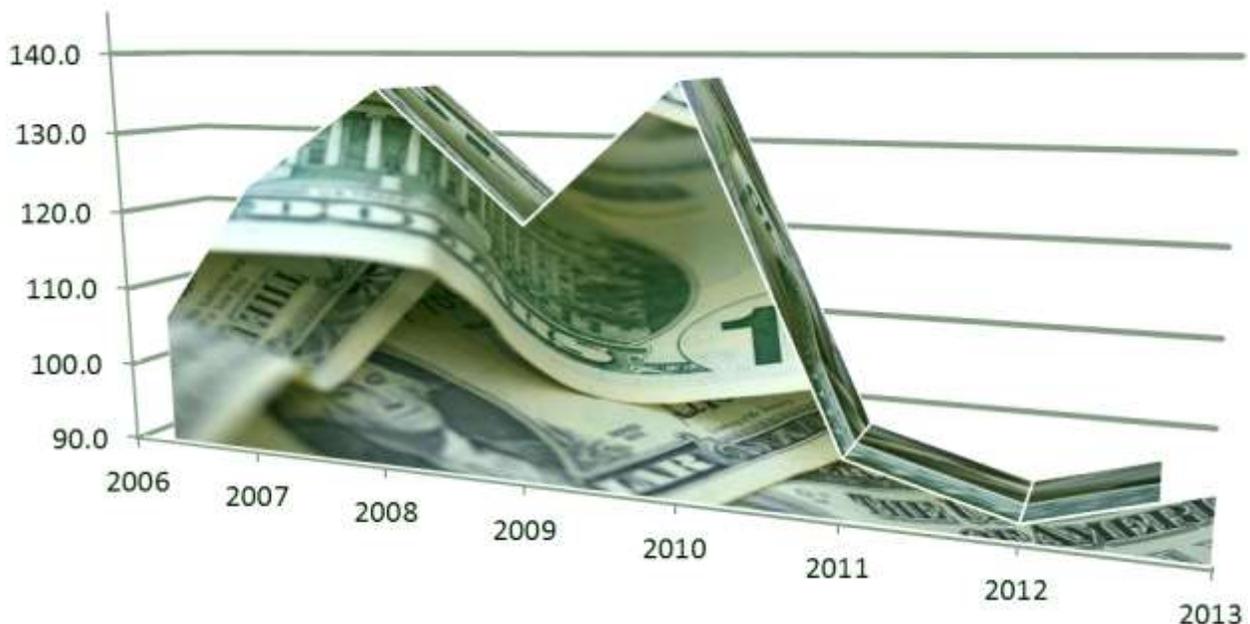
Going back to our first data collection in 2005, we can see trends, changes in the coaching market that take place over time. We know, without any doubt, that coaching has been firmly established in the modern organization. The perceived value and the credibility of coaching climb each year, and stand at record highs.

Optimism about demand for coaching is taking a positive direction, as well. But, in terms of the way people spend money, what is really going on in the world of executive coaching?

We have been through several stops and starts in world economies, and have tracked demand for coaching over the years. Based on hourly rates charged by executive coaches worldwide and net changes in the number of clients served year to year, we have developed the Coaching Confidence Index: (CCI).

Year	CCI reading
2006	100.0
2007	123.9
2008	136.1
2009	120.8
2010	137.5
2011	97.1
2012	92.1
2013	97.6

This index, calculated yearly, reflects the flow of money into executive coaching and the success of the industry worldwide.



## Annual Earnings for Executive Coaches

More experience means more money for executive coaches. Veterans make far more than new entrants. However, that doesn't mean everyone makes more money every year. Over the last five years, coaches' earnings have fallen more often than they have risen.

In recent years, there has been a precipitous drop in annual earnings for coaches in business for 2 years or less. This may be the first major warning of market saturation.

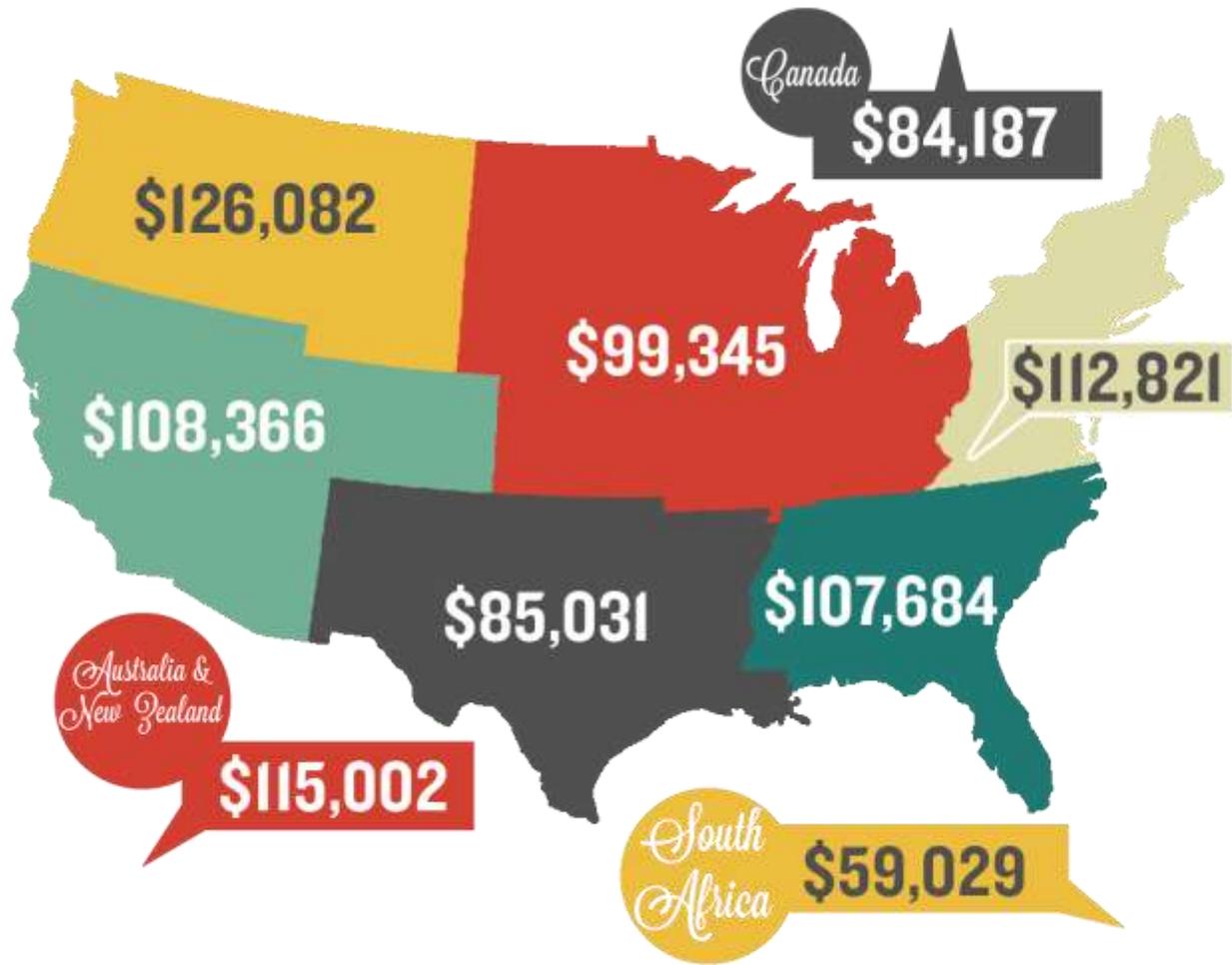
It looks as if executive coaching is an occupation with increasing barriers to entry. The degree of difficulty for those entering the field of coaching may relieve concerns about untrained and unqualified executive coaches 'hanging out a shingle'.

Executive coaches, annual earnings				
Years in Business	2013	2011	% change	
0-2 years	\$ 45,232	\$ 59,000	-23%	
3-5 years	\$ 79,280	\$ 92,000	-14%	
5-10 years	\$ 111,480	\$ 119,000	-6%	
10 or more	\$ 109,080	\$ 109,000	0%	

Coaches in the trade five years or more fare better than anyone else this year. Ten year veterans remain untouched by a general drop in annual earnings.

Here's a look at executive coaches' annual earnings by region across the USA and in Canada:

REGION	ANNUAL EARNINGS
CANADA	\$84,187
MIDWEST	\$99,345
NORTHEAST	\$112,821
NORTHWEST	\$126,082
SOUTH CENTRAL	\$85,031
SOUTHEAST	\$107,684
SOUTHWEST	\$108,366



REGION	HOURLY RATES
CANADA	\$274
MIDWEST	\$298
NORTHEAST	\$348
NORTHWEST	\$340
SOUTH CENTRAL	\$298
SOUTHEAST	\$301
SOUTHWEST	\$314

