

Waiting for
the next
wave



EXECUTIVE COACHING
SURVEY '14
EVIDENCE & INTERACTION

EARNINGS REPORT

This earnings report is an addendum to the 9th annual Executive Coaching Survey. For a copy of the public survey report, visit www.sherpacoaching.com

Improvements in world economies have been cause for great optimism

However. . . . Anticipated demand for coaching is falling.

The industry saw a rare increase in executive coaches' earning this year.

Nevertheless. . . . Business and life coaches' earnings showed a loss.

Veteran coaches continue to do well: more clients, more money.

But. . . . Wave after wave of earnings declines hits younger coaches.

Things are good, but they are not good for everybody.

The world of executive coaching is waiting for the next wave

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, Howard University.

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.

Overview

The Executive Coaching Survey is a market research project now in its ninth year. Our public market research report, like this earnings report, is available as a free download at 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 coach. Results are reported each year at no charge, as a service to coaching and the business public at large.

2014 Executive Coaching Survey Global Impact



*2014 Executive Coaching Survey: 50 countries from around the world
(Red = responding countries)*

The 2014 Executive Coaching Survey received responses from 50 countries representing more than two thirds of the world's population.

Earnings for Executive Coaches

These are global figures:

Average Hourly Rates

Executive Coaches: \$335, up from \$280 in our 2012-13
(coaches who work on behavioral issues)

Business Coaches: \$242, virtually unchanged from 2012-13
(help clients develop knowledge and skills)

Life Coaches: \$170, a sharp rebound back to 2012 levels
(advisors on personal, wellness and life issues)

Average Number of Clients

(meetings per week)
Executive Coaches: 5.8, down from 6.5-7.0 the last 2 years

Business Coaches: 4.9, down from 6.0-6.2 last 2 years

Life Coaches: 5.1, down from 7.70 in 2013,

Annual Earnings

Executive Coaches: \$ 97,245, a slight increase from 2013.

Business Coaches: \$ 59,410, down from \$70-75K.

Life Coaches: \$ 45,260, down from \$50-55K.

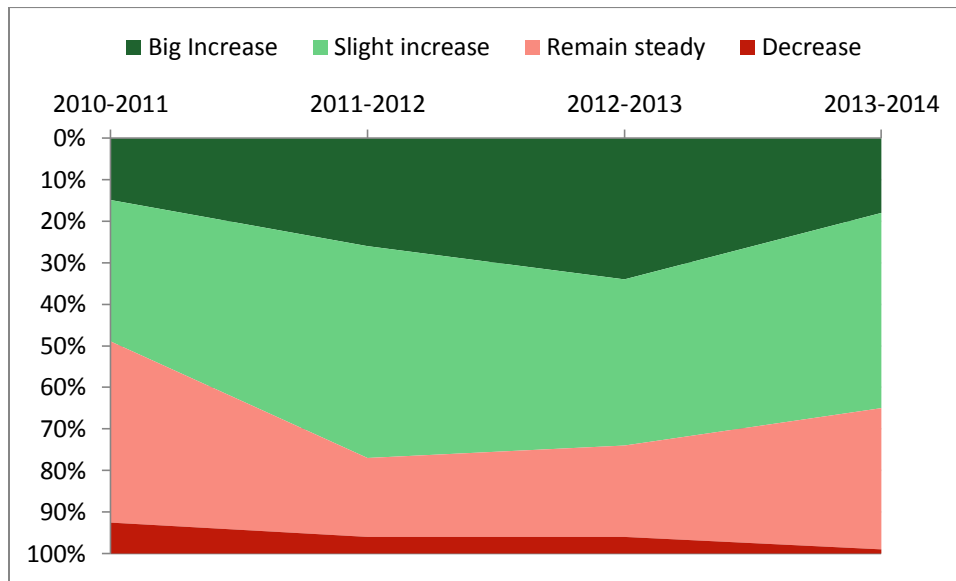
Global statistics for Executive Coaches:
2013 and 2014 are the only years since 2007 that coaches' earnings increased

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.

Optimism among coaches remains fairly constant, year to year, regardless of economic conditions. We rely on others to give us a better leading indicator.

This year, not as many HR and training professionals expect a strong increase in demand. Among their ranks, the number of those looking for a strong increase fell from 34% to 18%, a significant drop.



Who is Paying the Bills?

Globally, coaches who work exclusively with ‘employer-paid’ clients are now at 63%, just two points shy of last year’s record, and up from 49% in our 2006 report.

Coaching Survey Breakdown by Respondent Type

<u>Respondent</u>	<u>Section</u>	<u>Question</u>	<u>Response</u>
9th Executive Coaching Survey (2014)			1/1/2014 844 responses
Most of my clients are:			
a. Executive Coach		a. Paid for by their employer	63%
		b. Private Pay	14%
		c. About 50 – 50 in each category	23%
b. Business Coach		a. Paid for by their employer	44%
		b. Private Pay	38%
		c. About 50 – 50 in each category	17%
c. Life, Personal or Wellness Coach		a. Paid for by their employer	10%
		b. Private Pay	69%
		c. About 50 – 50 in each category	21%

Coaching Confidence Index (CCI)

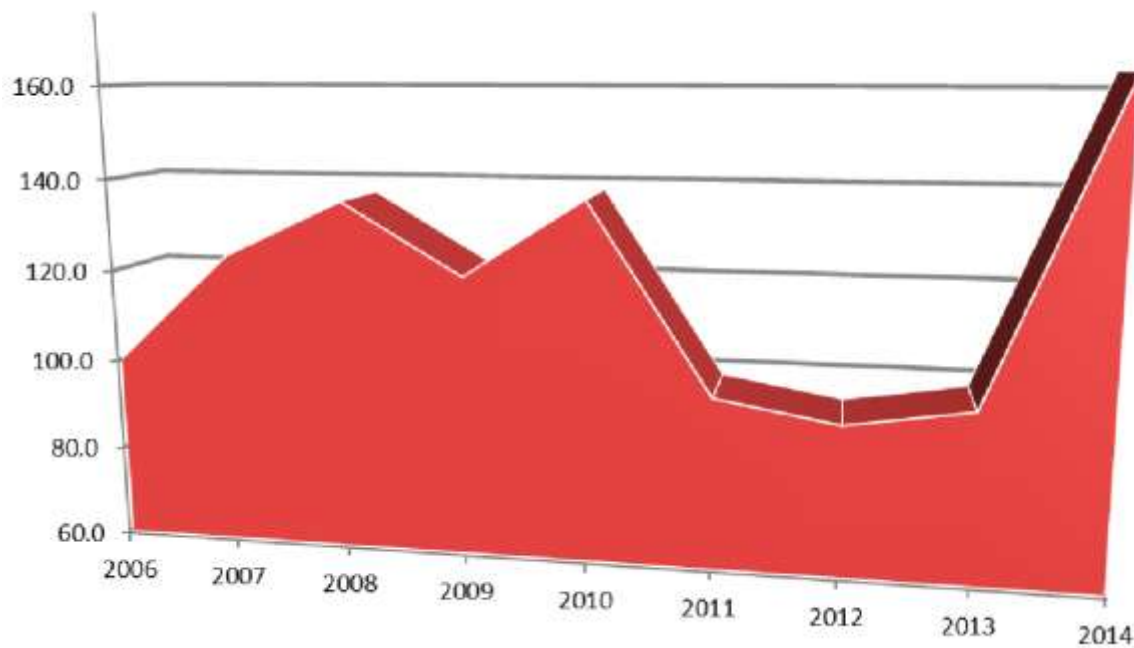
This survey has been gathering data since 2005. From the long view, we can see trends, changes in the coaching market that take place over time. We know, without any doubt, that coaching has been firmly established in the modern organization. The perceived value and the credibility of coaching climb each year, and stand at record highs.

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

To create a snapshot of the industry's direction, we have developed the Coaching Confidence Index: (CCI). To calculate the index, we consider rates charged by executive coaches, the number of clients they serve, predictions about demand for coaching and the amount of time executive coaches spend in marketing their service, among other factors.

This year's index has taken a significant leap, to arrive at a record high of 166 (2006 = 100).

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
2014	163.3



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 seven years, coaches' earnings have fallen more often than they have risen.

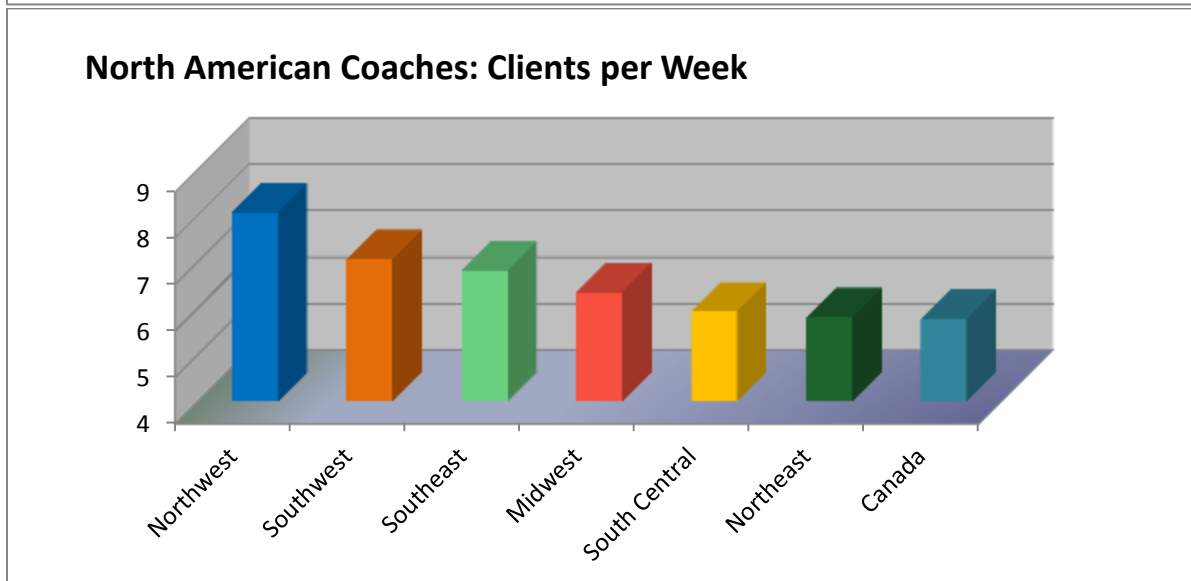
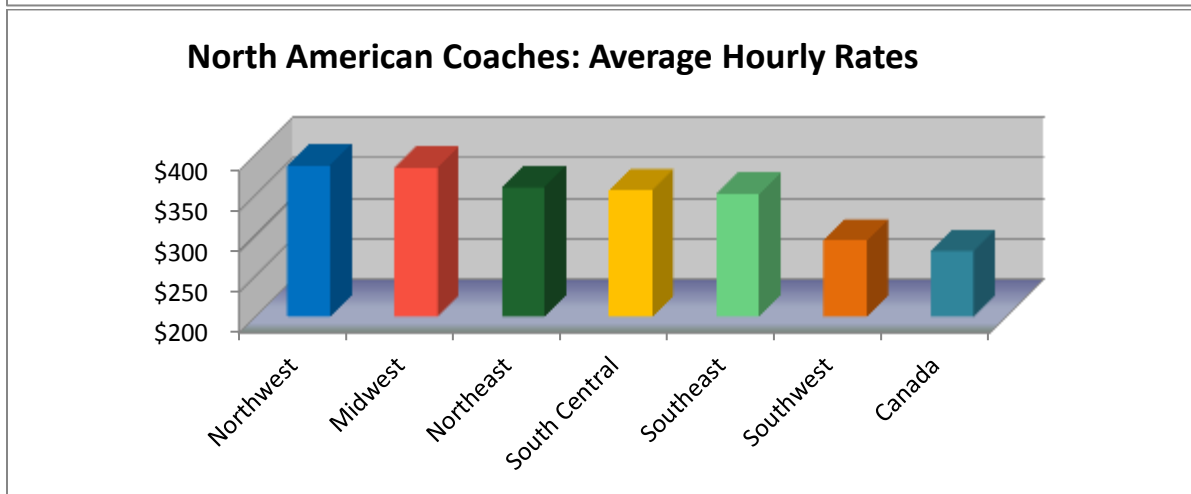
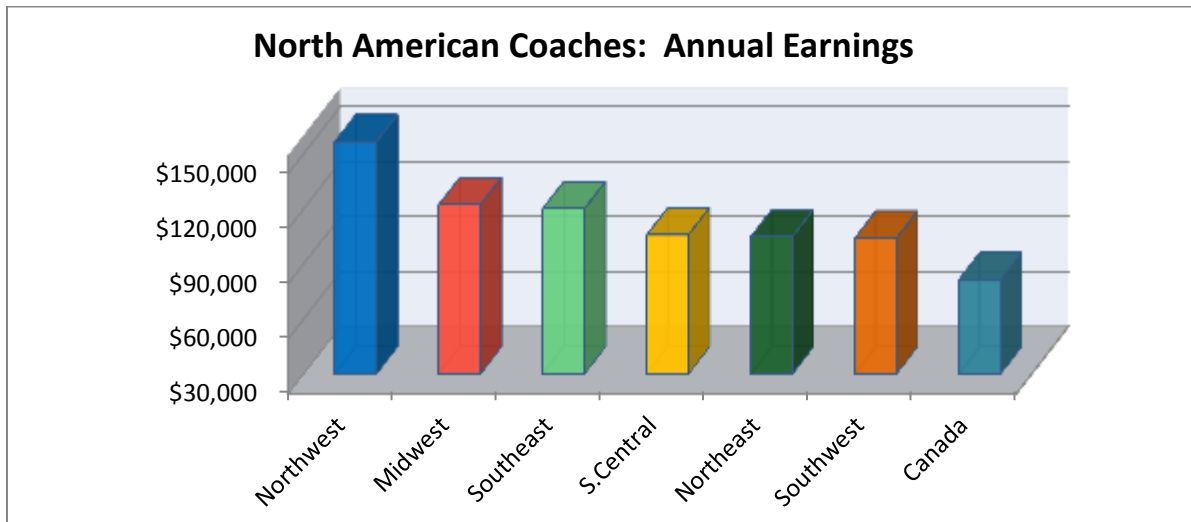
2011: Going back three years, there was a precipitous drop in annual earnings for coaches in business for 2 years or less. We warned at the time that it could be the first major warning of market saturation. Earnings stood at \$59,000 three years ago, and remain mired at about \$45,00 per year

2012: That same nasty fall took place for coaches in business 3-5 years. Our 2012 report had their earnings at \$100,000 per year. Last year saw a drop to \$79,000 and this year's earnings stand at \$70,000.

2014: This year, coaches in business 6-10 years took the hit, with average earnings dropping from around \$109,000 to just \$89,000. Their hourly rate remained steady, but their average number of clients seen per week took a big drop, from 7.5 to 6.025.

Executive Coaches: Annual Earnings			
Years in Business	2011	2014	% DROP
0-2 years	\$59,120	\$44,540	25%
3-5 years	\$92,300	\$68,320	26%
5-10 years	\$119,870	\$95,045	21%
10 or more	\$109,655	\$96,520	12%

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



The Executive Coaching Survey, 2014:

Technical contact:

Shawn Herbig, President, IQS Research
308 North Evergreen Road, Suite 200
Louisville, KY USA
(502) 244-6600
sherbig@iqsresearch.com

Media contact:

Ian McAfee, Media Director, Sherpa Coaching
P O Box 417240
Cincinnati, Ohio USA 45241
(513) 232-0002
im@sherpacoaching.com

Publishers:



Karl Corbett is Managing Partner of Sherpa Coaching in Cincinnati. He handles strategy, marketing and client relations for Executive Coaching Certifications at Howard University and the University of Georgia. He was contributing editor for “The Sherpa Guide: Process-Driven Executive Coaching”. (Thomson, 2005) Karl developed the annual Sherpa Coaching Survey, the largest and longest-running survey on executive coaching.



Dr. Justin Kennedy is a leading researcher and practitioner of neuroscience coaching. He serves as CEO of Sherpa Africa, and holds the position of Professor of Organizational Behavior and Regional Dean of Africa at Monarch Business School in Switzerland. Dr. Kennedy is also a Professor of Neuroscience and Coaching and a research executive at the University of Pretoria, South Africa and a leading executive coach in his home country.

2014 Executive Coaching Survey Sponsors



Sherpa Coaching is based in Cincinnati, Ohio, USA.

For managers and executives, Sherpa offers one-on-one coaching. For leaderships groups and teams, Sherpa conducts programs based on their university texts. For coaches, Sherpa offers training and certification on campus at several major universities.

Custom programs are available on site or on campus. More at www.sherpacoaching.com



The University of Georgia
Center for Continuing Education

The University of Georgia Center for Continuing Education in Athens, Georgia, USA, provides programs and services which connect the University with lifelong learners throughout the world.

The Center designs, develops and delivers a variety of executive programs. With a luxury hotel, restaurants, meeting rooms and banquet facilities, The Center offers a dynamic learning environment.



Howard University is in Washington, DC, USA. Its Business School offers graduate programs in entrepreneurship, finance, management, international business and supply chain management.

Howard University and the U.S. Small Business Administration operate a Small Business Development resource center on campus.



Change Partners is South Africa's foremost executive coaching provider, founded in 1998 as the first practice in South Africa to focus exclusively on development of business leaders through customized executive coaching techniques.

Their mission is to help high-potential individuals be the best that they can be – as crystalized in the slogan 'Helping Good Leaders Become Great'.



Headquartered in Louisville, Kentucky, **IQS Research** delivers research on markets, customers, and employees, with studies designed to identify issues and opportunities, and map a path to success. IQS Research collects and analyzes data to enable reliable decisions and profitable outcomes.