

Compensation continues rise

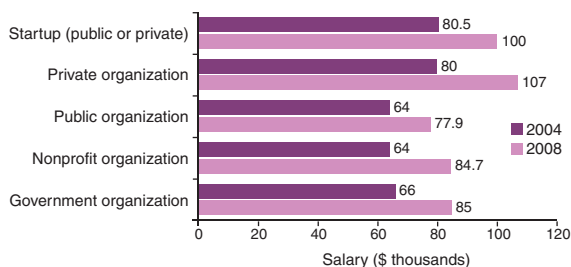
Stacy Lawrence

The divide between compensation for R&D staff in industry and academia continues to widen. Median average salary in a private organization is now \$30,000 more than in academia. Despite the economic downturn, life sciences execs as a whole are targeting a 9% average

increase in their cash compensation in 2008; CEOs are even more aggressive, aiming for an average 12% rise to ~\$400,000. Top execs based in New England make the most on average; those in the Midwest receive 20–33% less.

Median salaries in industry and academia

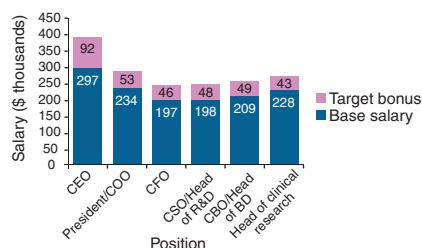
For those working in R&D, industry remains more competitive in terms of salaries.



Source: *The Scientist* 2008 Life Science Salary Survey

Life sciences executives' cash compensation

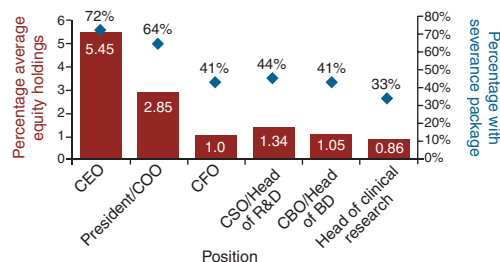
Pay increased ~5% last year, with CEO salaries up from \$350,000 in 2007 to almost \$400,000.



Data include medical device companies. Source: WilmerHale, Ernst & Young, J. Robert Scott

Life sciences executive perks

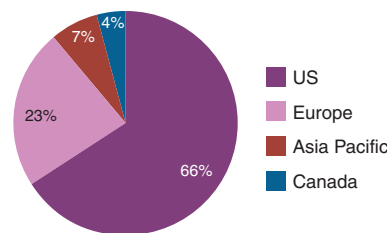
The top five titles hold on average about 13% of company shares; almost three-quarters of CEOs have a golden parachute.



Data include medical device companies. CSO, chief scientific officer; CBO, chief business officer; BD, business development. Source: WilmerHale, Ernst & Young, J. Robert Scott

Employment at public biotech companies by region

The sector's number of employees (~200,000) grew relatively little, although Europe contributed 2% more to the total than last year, whereas US employee number declined slightly.



Based on 2007 data. Source: Ernst & Young

Biotech employees, revenue and R&D

Company name	Revenue (\$ billions)	Employees	Revenue per employee (thousands)	R&D expense (\$ millions)	R&D per employee (thousands)	R&D as a percent of revenue	Net income (loss) (\$ millions)	Market cap (\$ billions)
Amgen	14,771	17,500	844	3,266	187	22%	3,166	47
Genentech	9,443	11,174	845	2,523	226	27%	2,769	78
Gilead Sciences	4,230	2,979	1,420	591	198	14%	1,615	48
Genzyme	3,784	10,000	378	738	74	19%	480	19
Biogen Idec	3,172	4,300	738	925	215	29%	638	19
Applied Biosystems Group - Applera	2,089	5,000	418	204	41	10%	171	5
Cephalon	1,727	2,796	618	369	132	21%	(192)	4
Celgene	1,406	1,685	834	399	237	28%	226	25
Average			762		164	21%		

Data for FY 07. Market cap as of year end 2007. Source: Reuter Global Fundamentals via FactSet Research Systems, *Nature Biotechnology*.

Cash compensation by US region

Region	CEO	President/COO	CFO	CSO/Head of R&D	CBO/Head of BD	Head of clinical research
New England	\$422	NA	\$268	\$287	\$293	\$325
California	\$404	\$316	\$241	\$266	\$279	\$293
Mid-Atlantic	\$376	\$272	\$260	\$244	\$257	\$301
South	\$337	\$276	\$211	\$227	NA	NA
Midwest	\$267	\$182	\$214	\$177	NA	NA
West (excluding California)	NA	NA	\$248	NA	NA	NA

Data for 2008. In thousands, includes base salary and 2008 target bonus. Data include medical device companies. CSO, chief scientific officer; CBO, chief business officer; BD, business development; NA, not available. Source: WilmerHale, Ernst & Young, J. Robert Scott

Stacy Lawrence is Senior Writer, BioCentury

