ACIDO

Association of Chartered
Industrial Designers of Ontario

2020 Ontario-Region Industrial Designer Compensation Survey

What?

We set out to find out how much money product designers earn in Ontario.
This 2020 edition is the first of an anticipated annual publication.

Why?

Reliable, current salary information for industrial designers is not readily available. This data could be highly valuable for ACIDO members: in their own careers, in hiring others, in countless ways that are impactful for professional development.

Who?

The ACIDO Board of Directors created a Salary Survey Working Group made up of several current Board members: Cynthia Damar-Schnobb, Jimmy Rogers, Dylan Horvath and Gilad Shoham

How?

The topic of 'compensation' is tightly connected to other background variables: demographic, educational, industry segment, etc.
Our team created and distributed an anonymous survey, open to all Ontario industrial designers regardless of ACIDO membership status. The survey included 15 detailed questions spanning the dimensions most expected to impact compensation.

Sample Size

We received 53 completed questionnaires, entailing over 1,500 unique datapoints. The demographic composition of respondents is fully detailed throughout this document.
As with any mass survey, we would always prefer more data. However, even with the modest sample size, very interesting patterns and trends are visible.

cover photo: Naphtali Marshall

Part 1
Show me the money:
How much do industrial designers make?

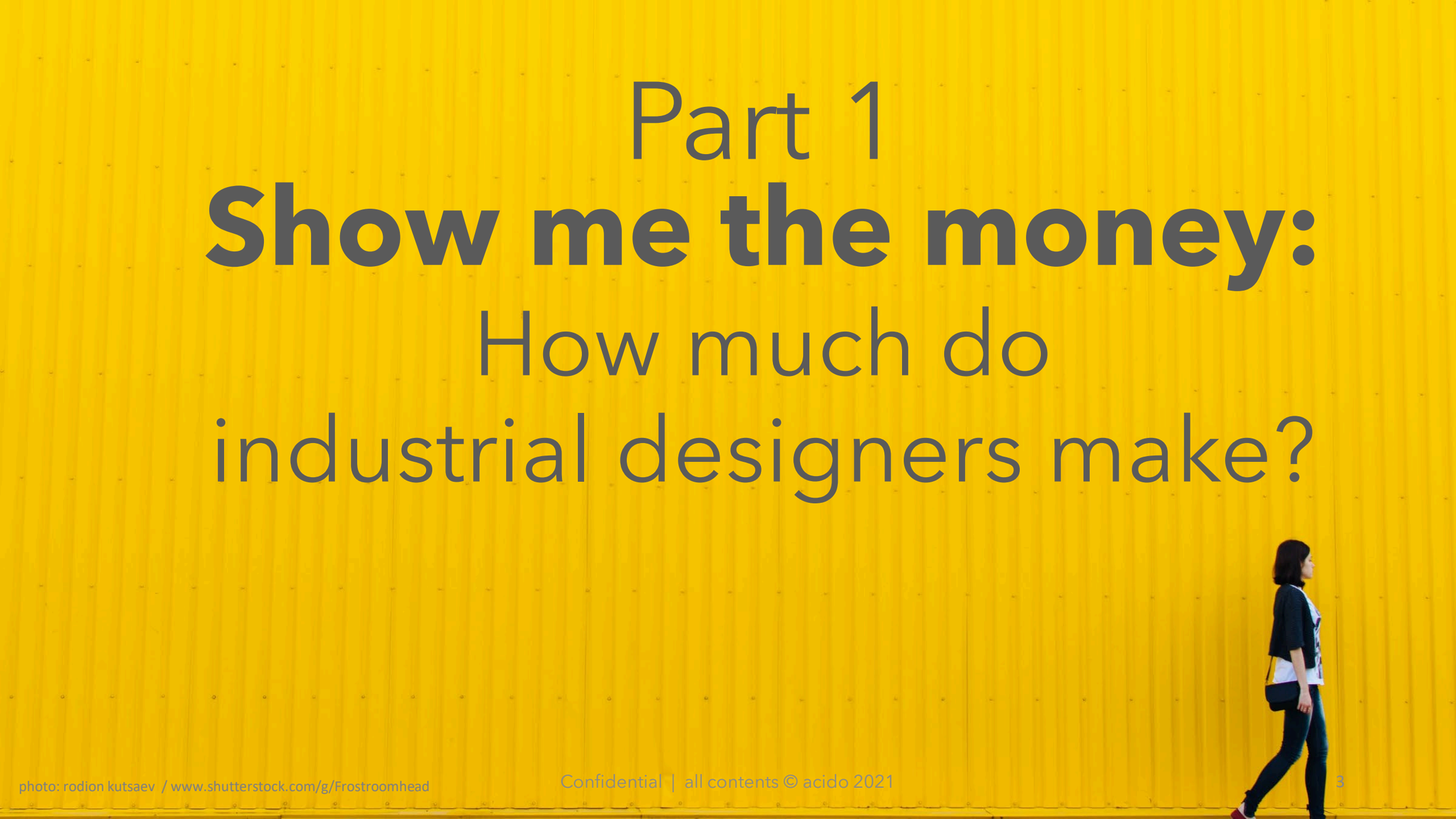
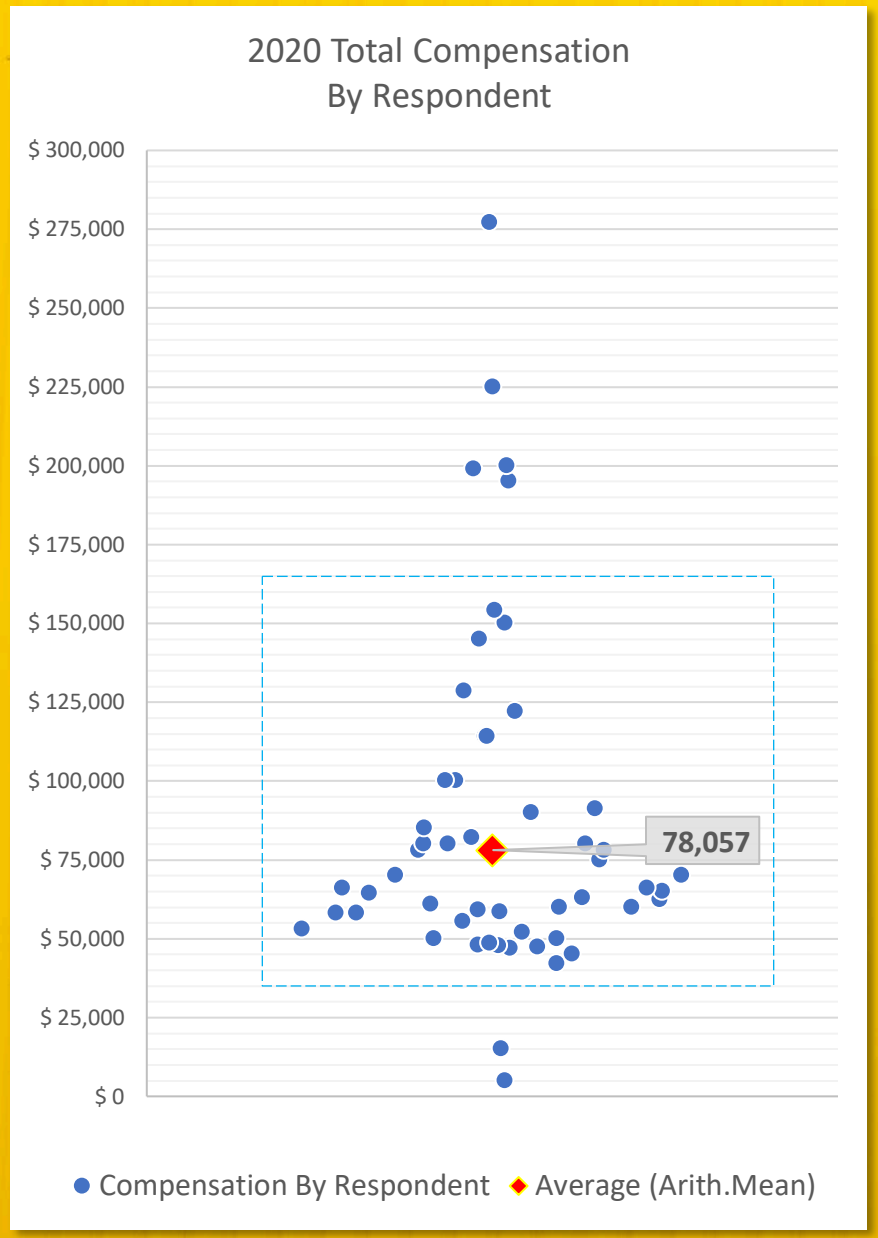


photo: rodion kutsaev / www.shutterstock.com/g/Frostroomhead



This is the big picture.

Graph Explanation

- Y-Axis (Up/Down) is annual compensation.
- X-Axis (left/right) – doesn't mean anything; dots were randomly spaced to avoid having overlapping dots.
- Each blue dot represents **one individual person's total 2020 compensation** (only from design-related activity).
- The red diamond is the overall average compensation (calculated by arithmetic mean, with outliers removed).

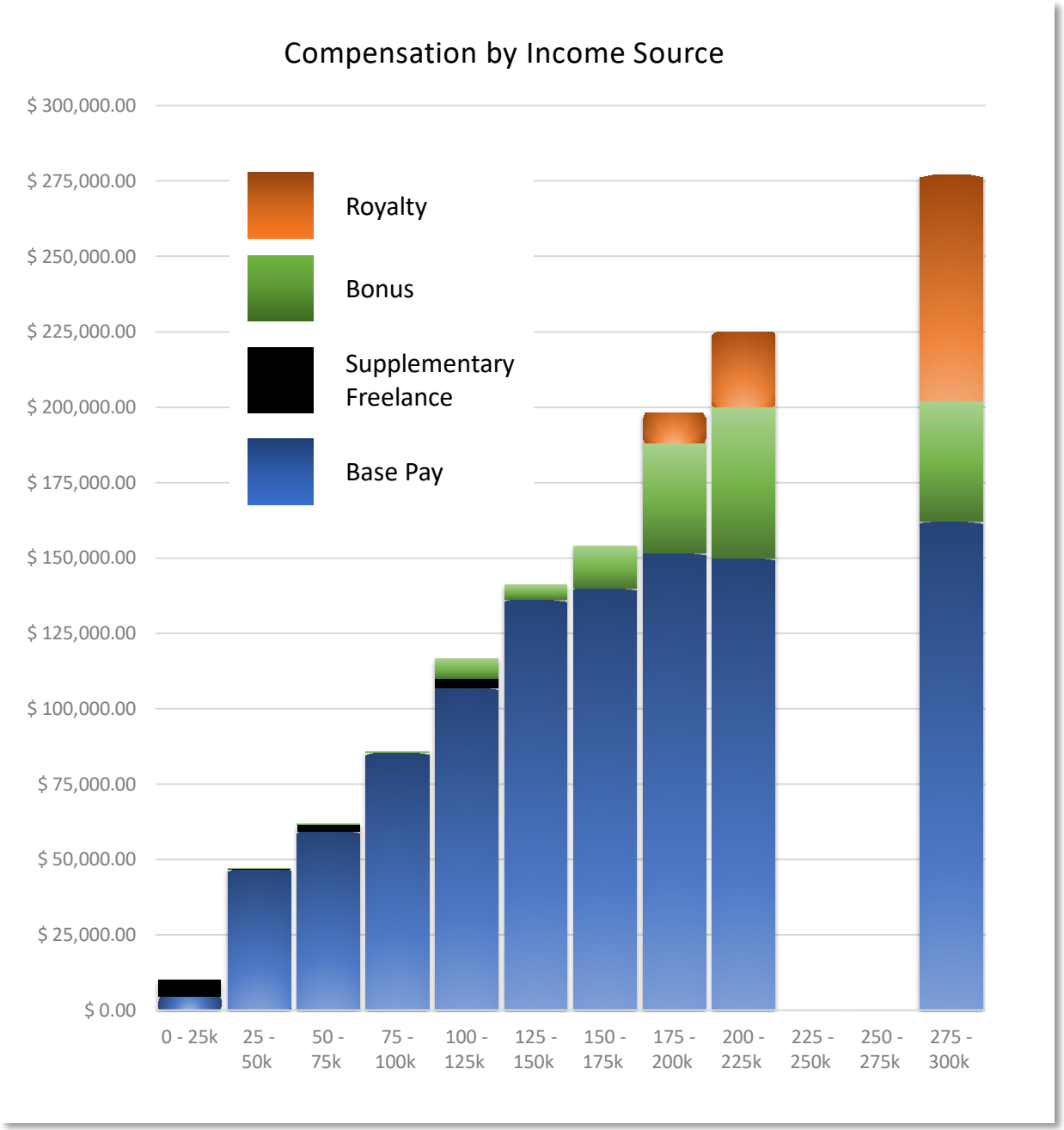
Insights

- If you met an Ontario designer walking down the street & didn't know anything about them at all, you'd be OK to guess that they brought in $78k during 2020.
- In reality, only 4 respondents (<10%) were within +/-$5k of that: some (16 resp.) are higher, most (37) are lower…
- So, more likely, if you picked the middle earner from this group (same number of earners *above* vs *below*), that person's (median average) compensation is $66k.

photo: rodion kutsaev / www.shutterstock.com/g/Frostroomhead

Where does that money come from?

photo: ryerson campus; scott webb | scottwebb.me



Graph Explanation

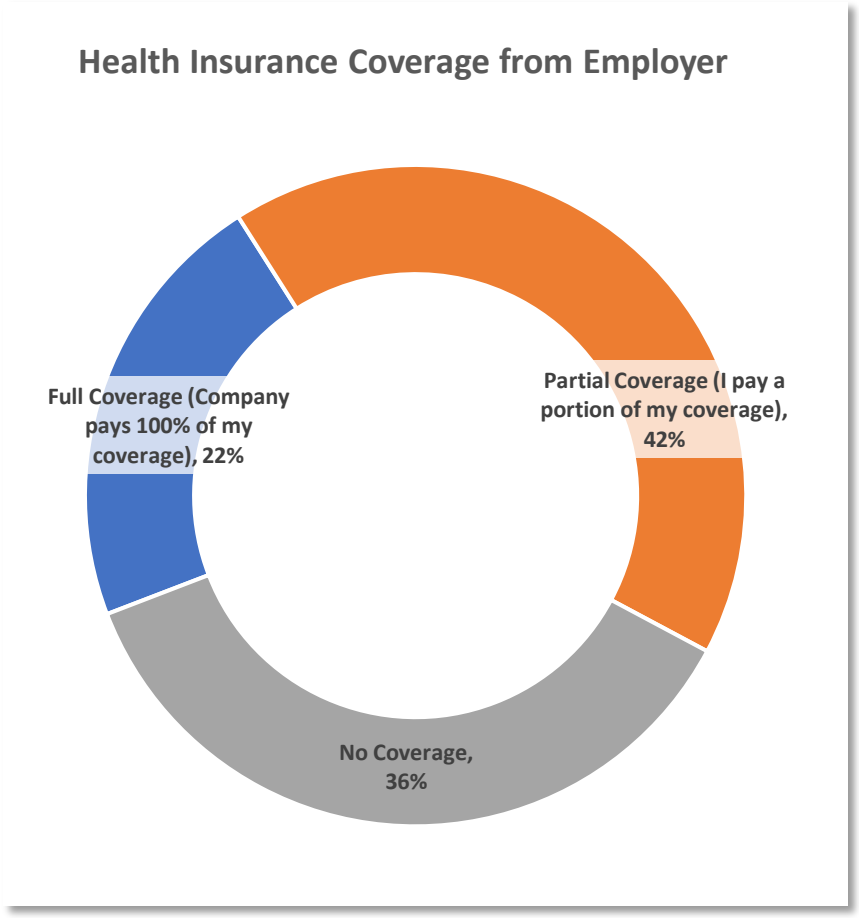
- We grouped together people into their respective $25k earning buckets (50-75k earners, 75-100k earners, etc).
- Within each group, we averaged the different sources of income (base pay, bonus, etc) and showed them in the stack graph here.
- "Base Pay" here means either 'base pay' in the traditional corporate sense, or – in the case of independent freelancers, their *primary billable payment* for design work. That is, a full-time freelancer would be compensated for their hours, here shown as Base Pay.
- Supplementary Freelance = 'moonlighting'.

Insights

- People aren't moonlighting beyond $125k.
- Bonuses become more significant as incomes rise.
- Royalties only show up in the highest comp brackets.

Besides money, what about benefits?

photo: Paweł Czerwiński | www.instagram.com/pmcze

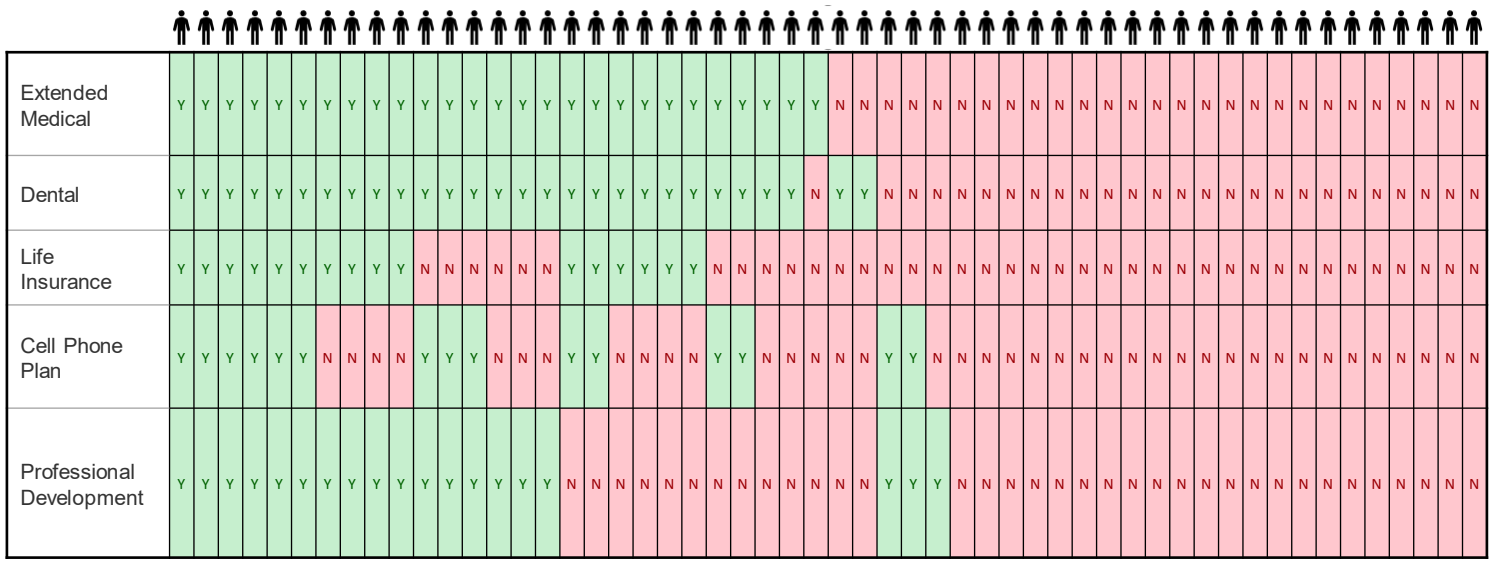


Supplemental Medical Insurance

- Some people get a little, a lot, or none at all.
- This is **just** medical insurance as a benefit.
  The constellation of other benefits are detailed on next page.

Visualizing a Multiple Benefits environment

Which benefits are most frequently received or grouped together?
Each respondent is one vertical column.



Graph Explanation

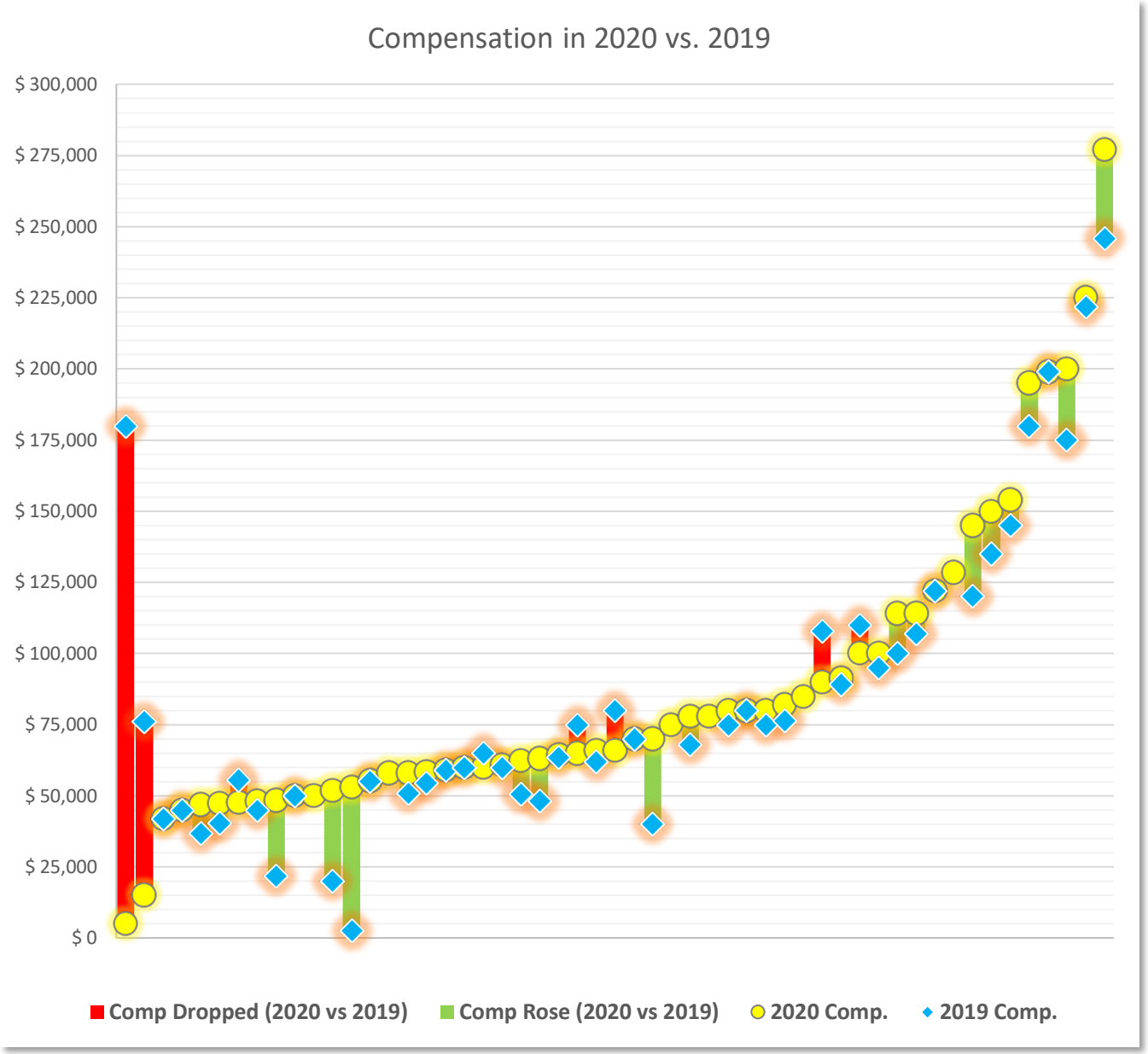
- Each vertical column equals one respondent.
- Boxes are Green (or Red) if that respondent does (or doesn't) receive that particular benefit.
- *Example:* the 1st respondent (left-most column) *does* receive all 4 benefit types; the *last* (right-most) respondent receives none.
- A "yes" answer may mean *partial* or *complete* coverage of that category.
- Not to be confused with previous page (Supplemental Medical Insurance), this illustration covers *which* benefits respondants did (or didn't) receive, beyond just health.

Insights

- Nearly half of respondents receive no benefits.

Did COVID affect compensation? How?

photo: Forest Simon | Instagram: @forest.ms

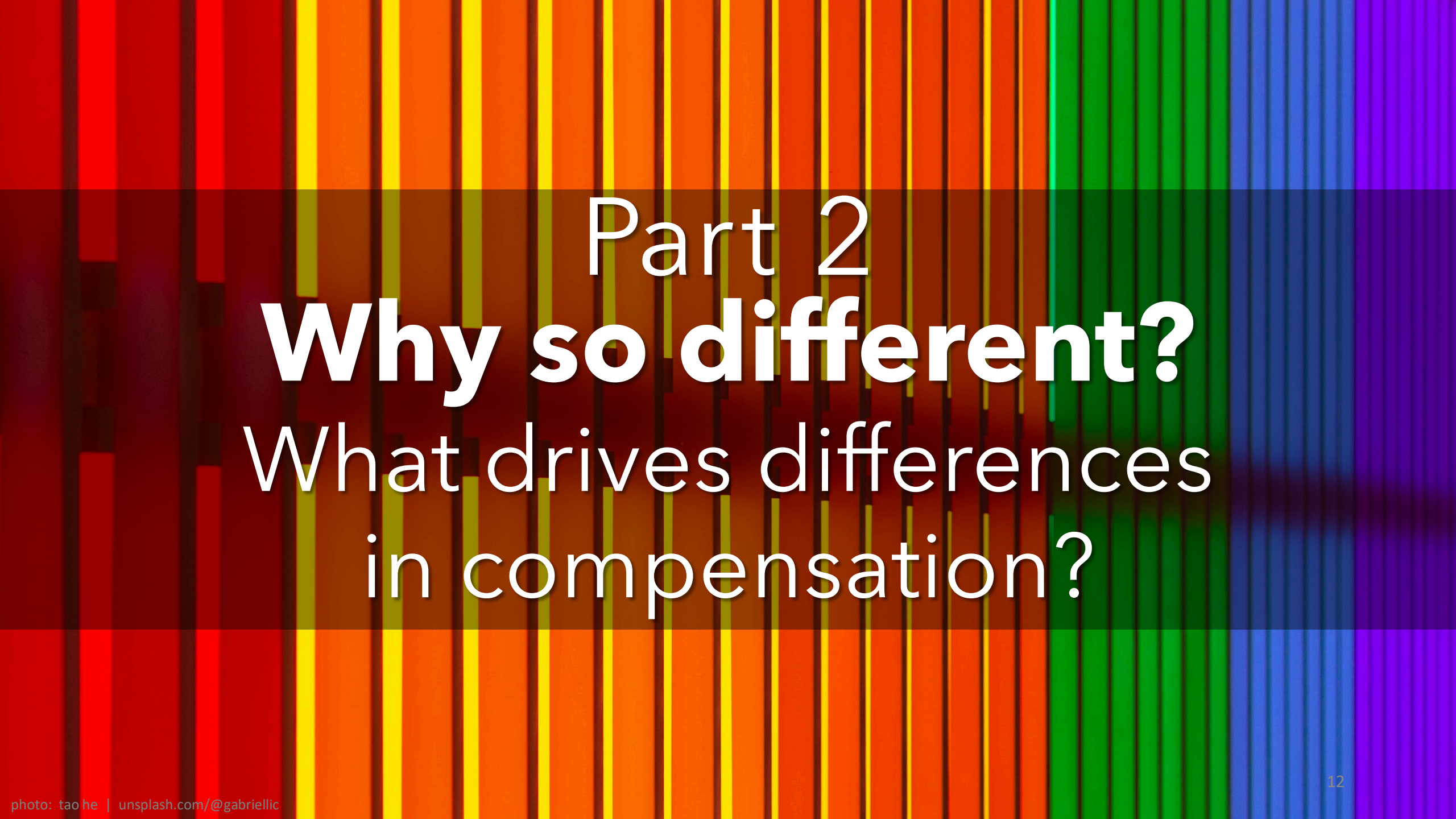


Graph Explanation

- The purpose of this chart is to compare respondent's compensation in 2020 vs. 2019; an important dataset to help understand what impact COVID may have had on the Ontario design community.
- Yellow circles are 2020 compensation, and 2019 compensation are the blue diamonds.
- Respondents whose compensation dropped are shown as red bars, those whose comp rose are shown as green bars.

Insights

- A small number of very large drops are evident.
- But most respondents (85%) showed modest to significant increases in 2020.



Part 2
Why so different?
What drives differences in compensation?

Exploring Differences

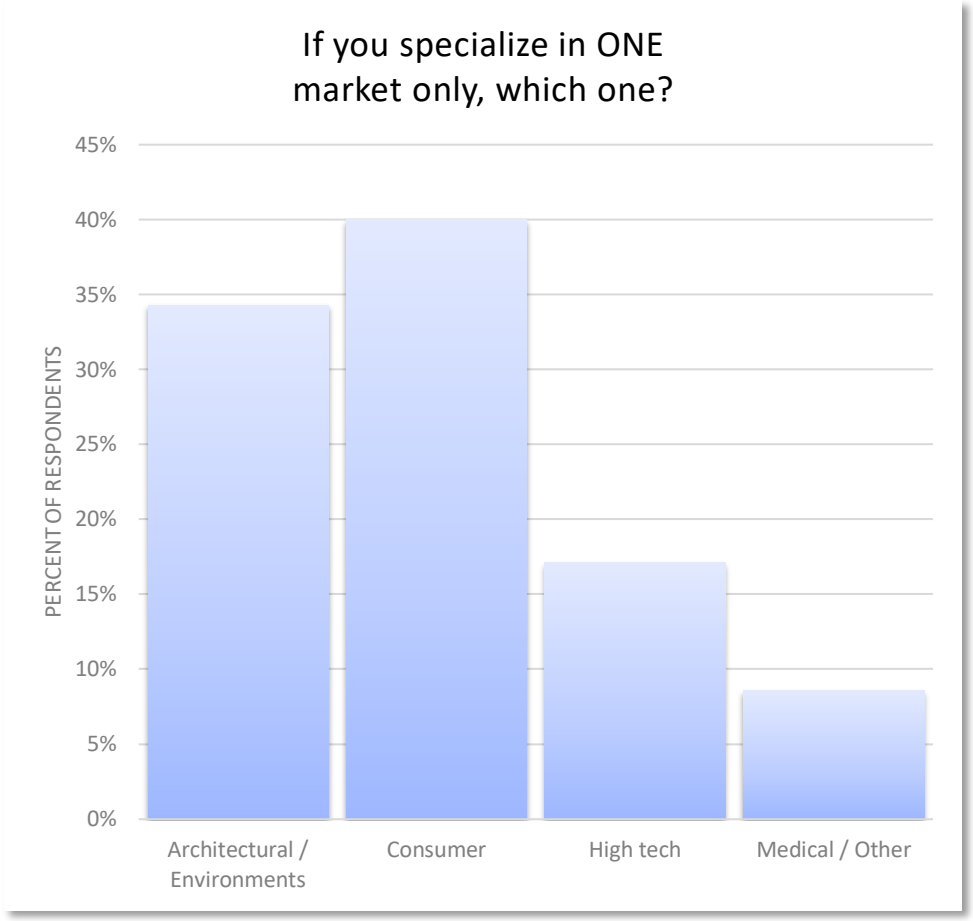
There is a wide variation in compensation levels among Ontario industrial designers. In this section we set out to determine and illustrate what drives these differences.

Areas of investigation here are:

- Industry specialization
- Geography
- Business Types
- Organization Size
- Paid Vacation
- Education – Highest Level
- Education – Institution
- Years of Experience
- Title / Role
- Gender
- Ethnicity

photo: tao he | unsplash.com/@gabriellic

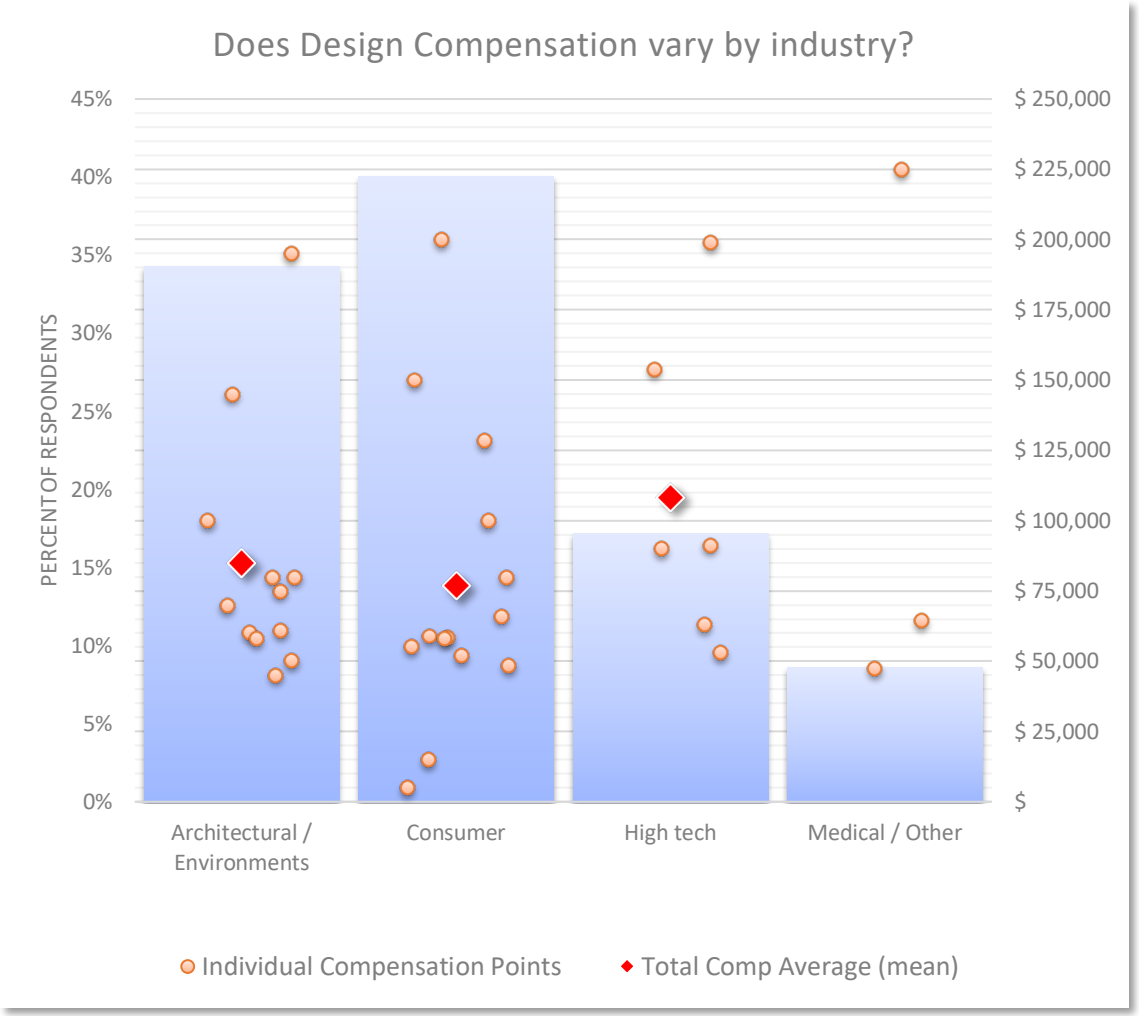
What industries are designers specialized in?



Graph Explanation

- X axis (left/right) represents the main industries respondents work in.
- Y axis (up/down) is the **number of respondents** that work primarily in that market/industry.
- Note: only about 2/3 of respondents are shown here; the other 1/3 were from consultancies that serviced ***all*** industries, and so for this particular graph they were omitted: the purpose of this sub-analysis is to see whether *any one particular industry* was compensated significantly more or less than others.
- "Other" here included B2B, Industrial, and academia.

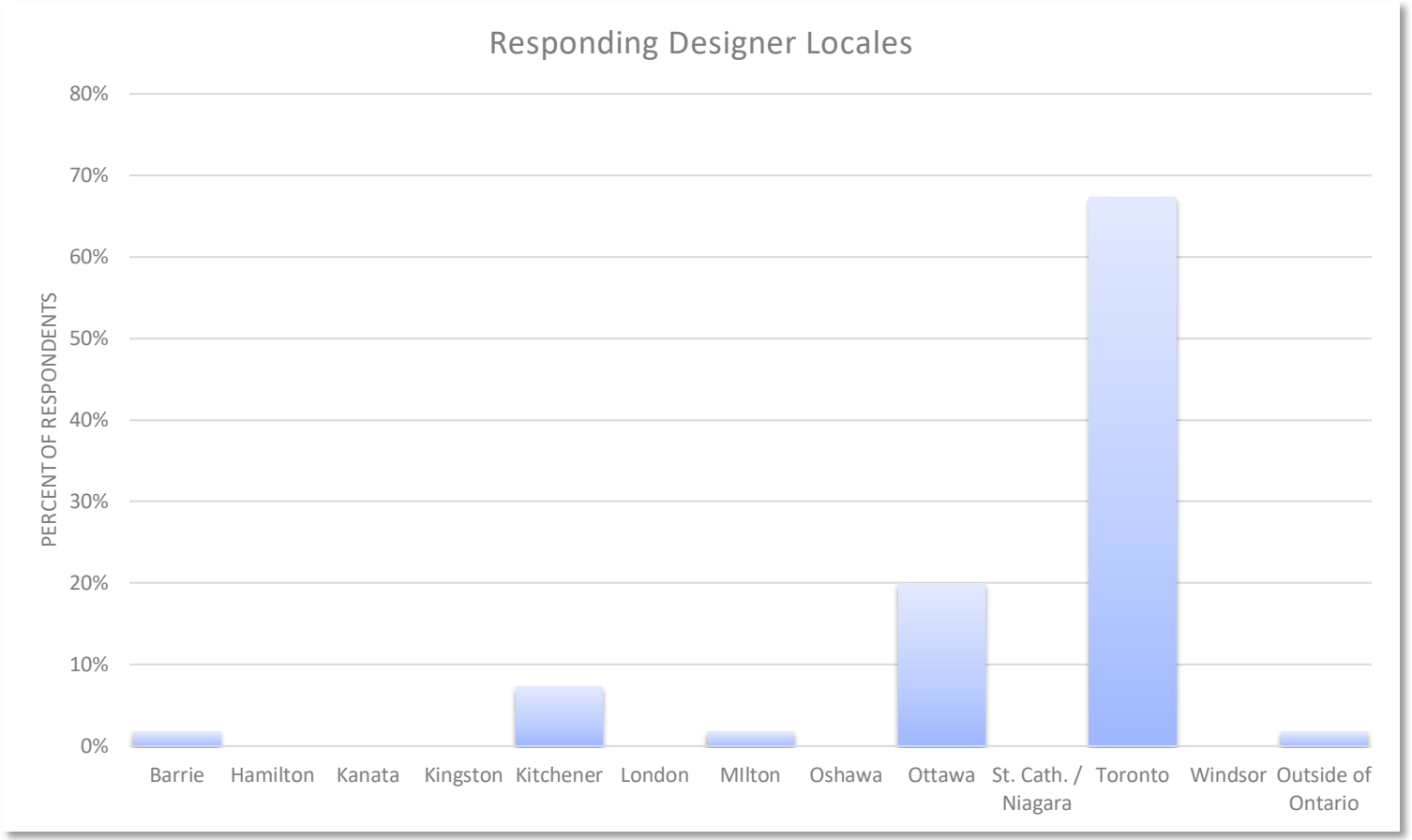
Are different industries compensated differently?



Graph Explanation

- Taking the same graph from previous page, here is shown an overlay of 2020 Compensation per each sector.
- Red diamonds are averages by industry (mean average).
  'Medical/Other' omitted from Averages due to too few datapoints.

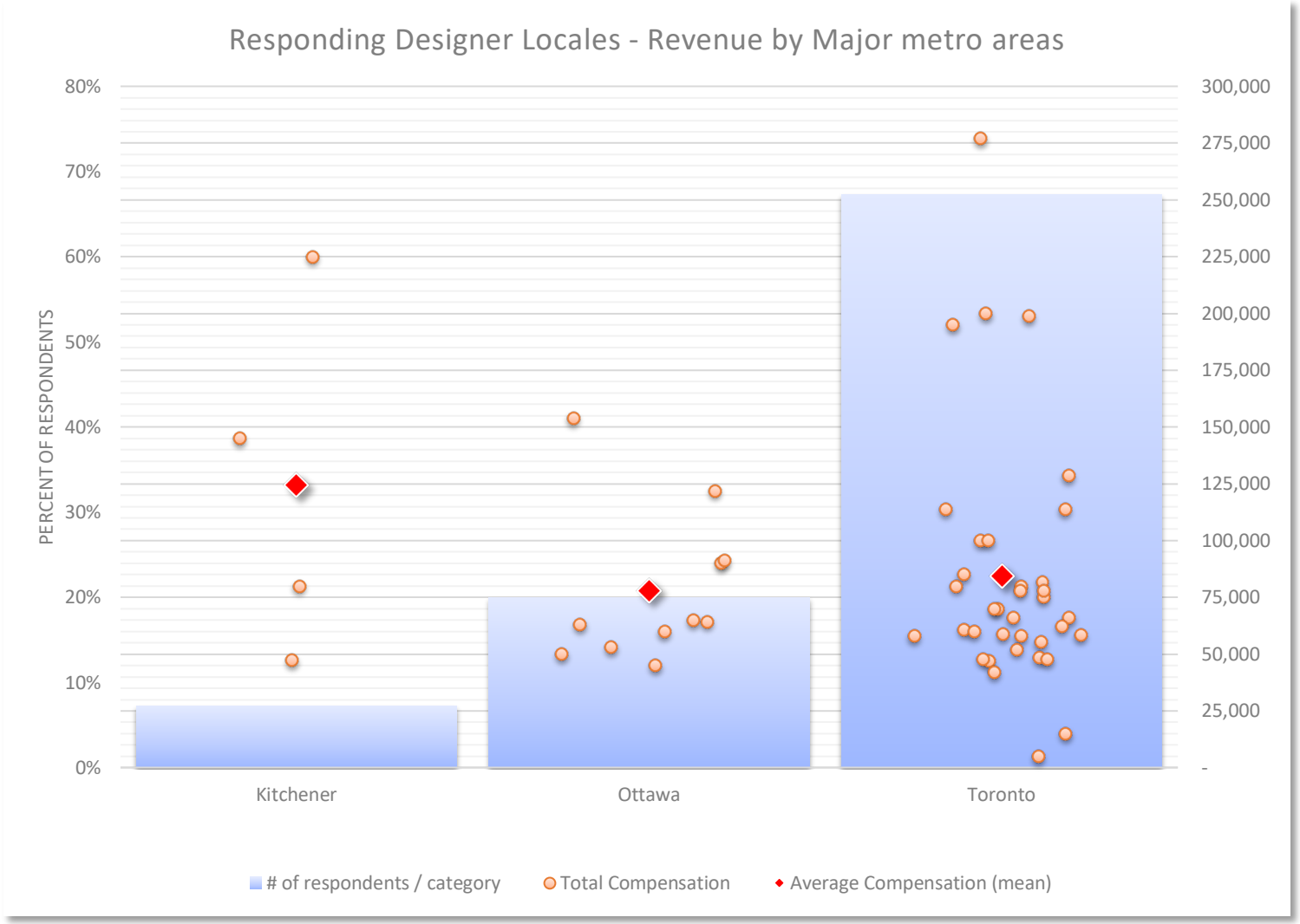
Which GEOGRAPHIES are designers working from?



Insights:

Where do Ontario industrial designers live?
Basically: Toronto, then Ottawa, then Kitchener.

Are different GEOGRAPHIES compensated differently?



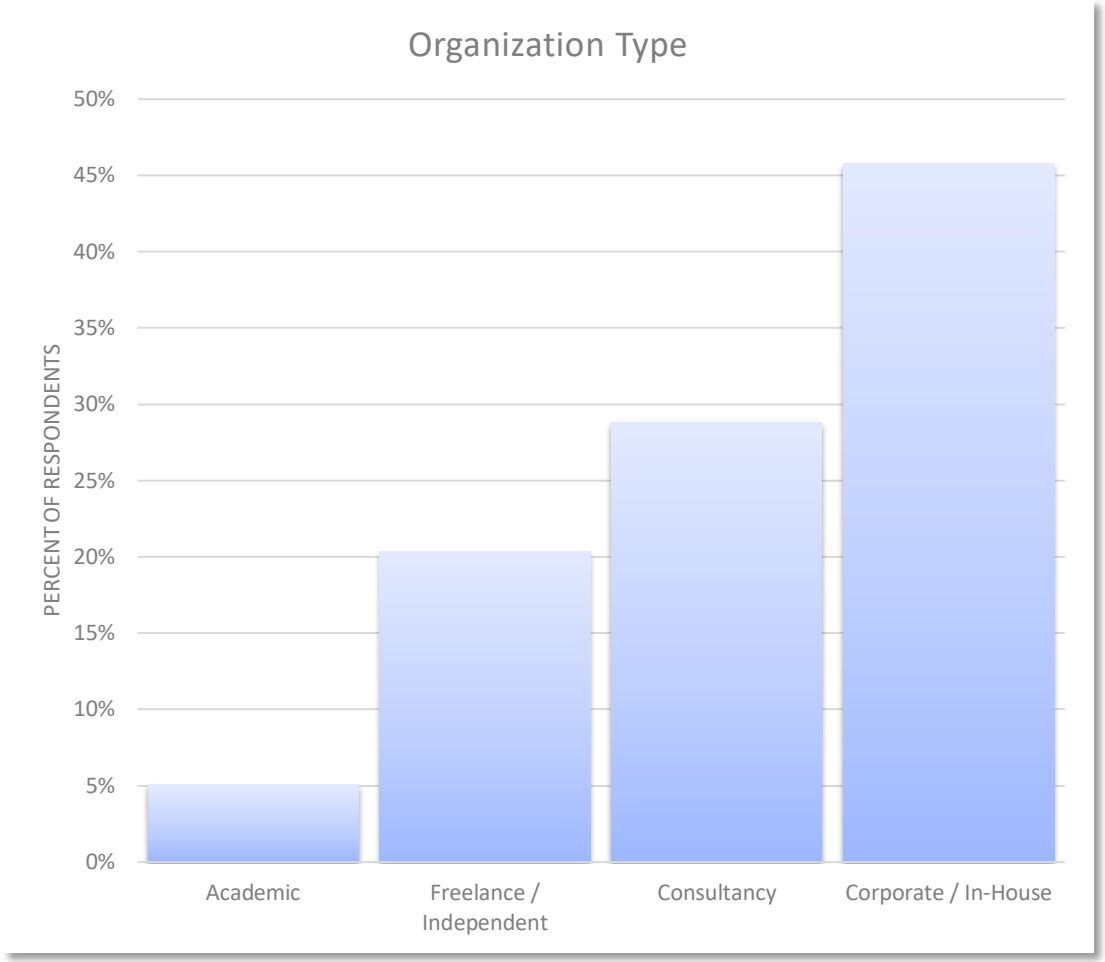
Graph Explanation

- Taking the same graph from previous page, here is shown an overlay of 2020 Compensation per each locale.
- Red diamonds are average values (mean).

Insights

- Toronto has a broad spread of compensation, and the highest concentration of high earners.
- Kitchener, while having the highest mean average, has too few datapoints to make a conclusive case for that.
- Ottawa appears to have significantly lower income than Toronto. That may be true, or it could just be a function of having fewer datapoints.
  (Larger sample size could help answer this).

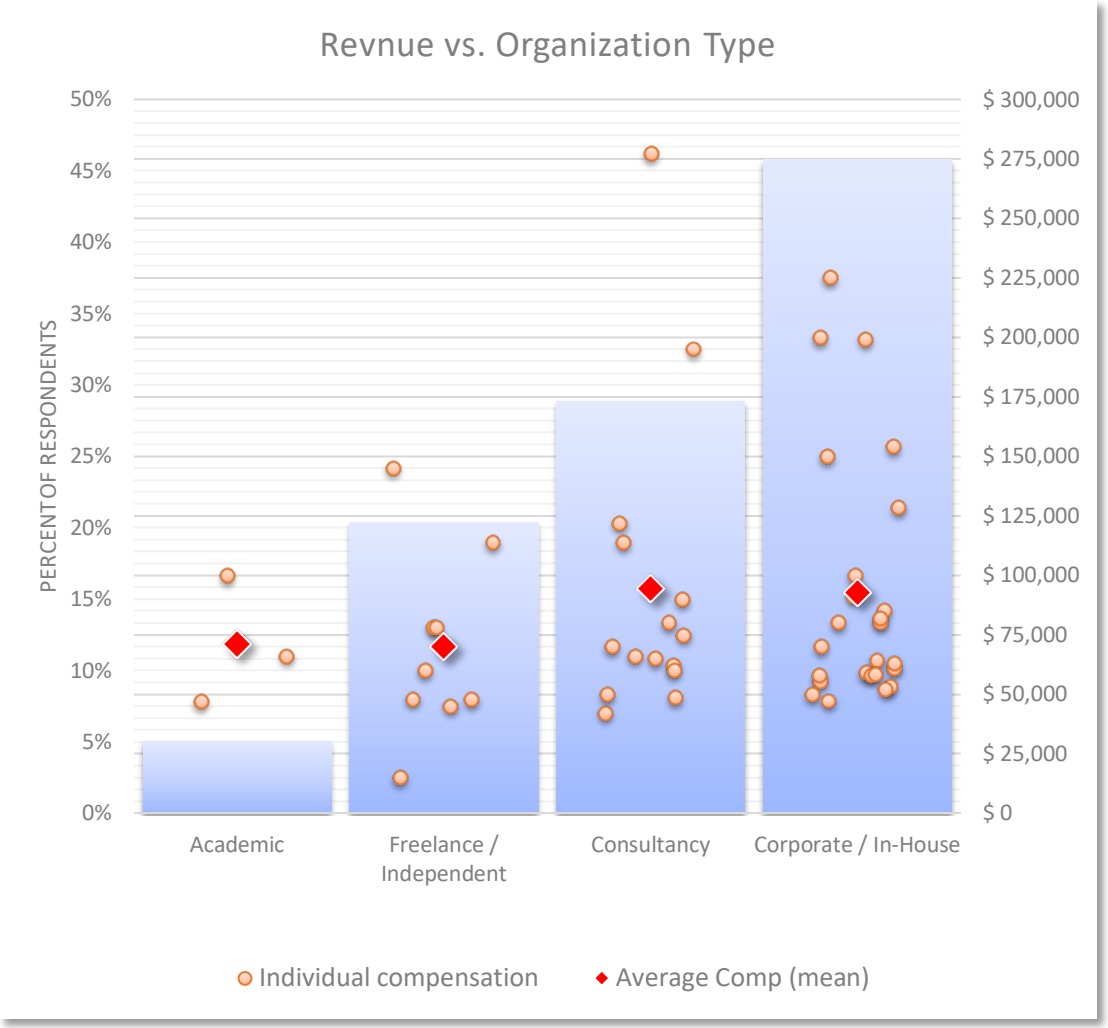
What Business Types are designers working within?



Graph Explanation

- In what type of organization are respondents working?
- Here, 'Freelance/Independent' means a single-person company (they may be acting as a consultant or as a single-company contractor).

Are different Business Types compensated differently?



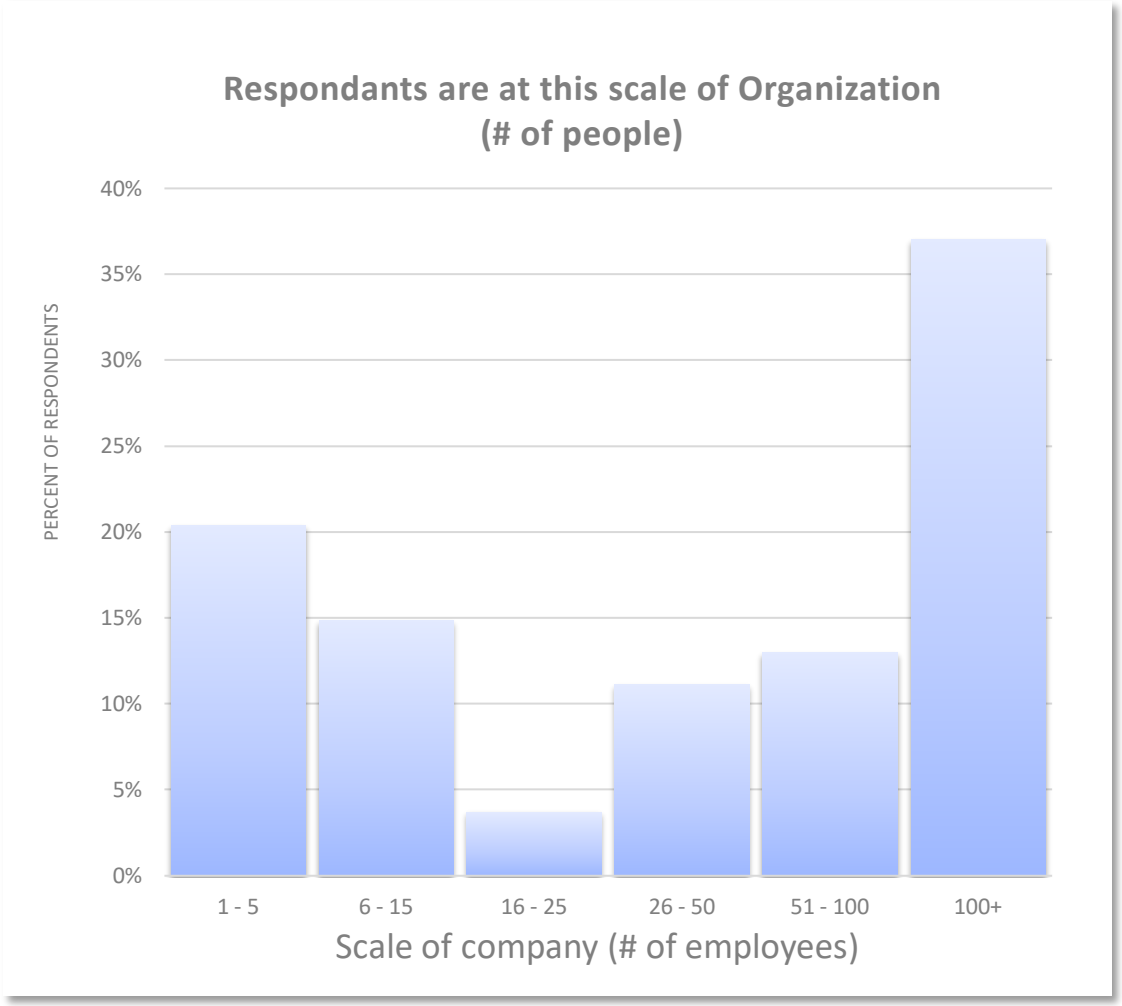
Graph Explanation

- Taking the same graph from previous page, here is shown an overlay of 2020 Compensation per each organization type.

Insights

- Academia and Individuals (freelance/independent) earn significantly less than their peers in Corporate or Consultancies.
- The data suggests Consultancies may have a “bifurcated” compensation structure – many towards the bottom, few at the top, nearly none in the middle, but this may be speculative given the small sample size.
    - If correct, this suggests company structures with very few layers of management; e.g. ‘owners’ vs ‘workers’.
    - May be an area meriting future exploration.
- Corporate/In-House appears to have a more diffuse graduation from low- to high-earning, implying many more layers.

What Organization Sizes are designers working at?



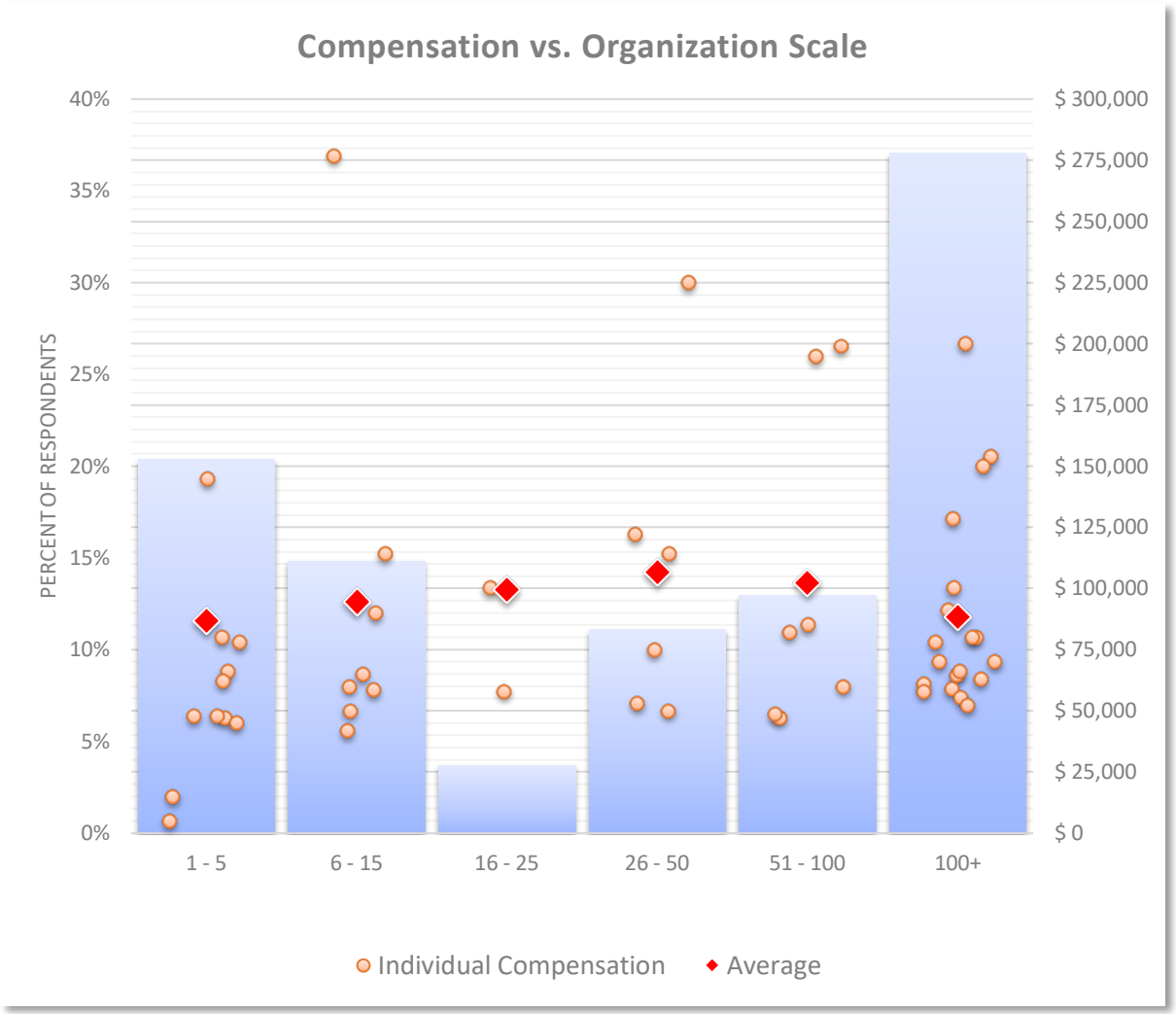
Graph Explanation

- Vertical axis is Percent of Respondents

Insights

- Most designers work in really big (100+) companies.

Does organization size matter?



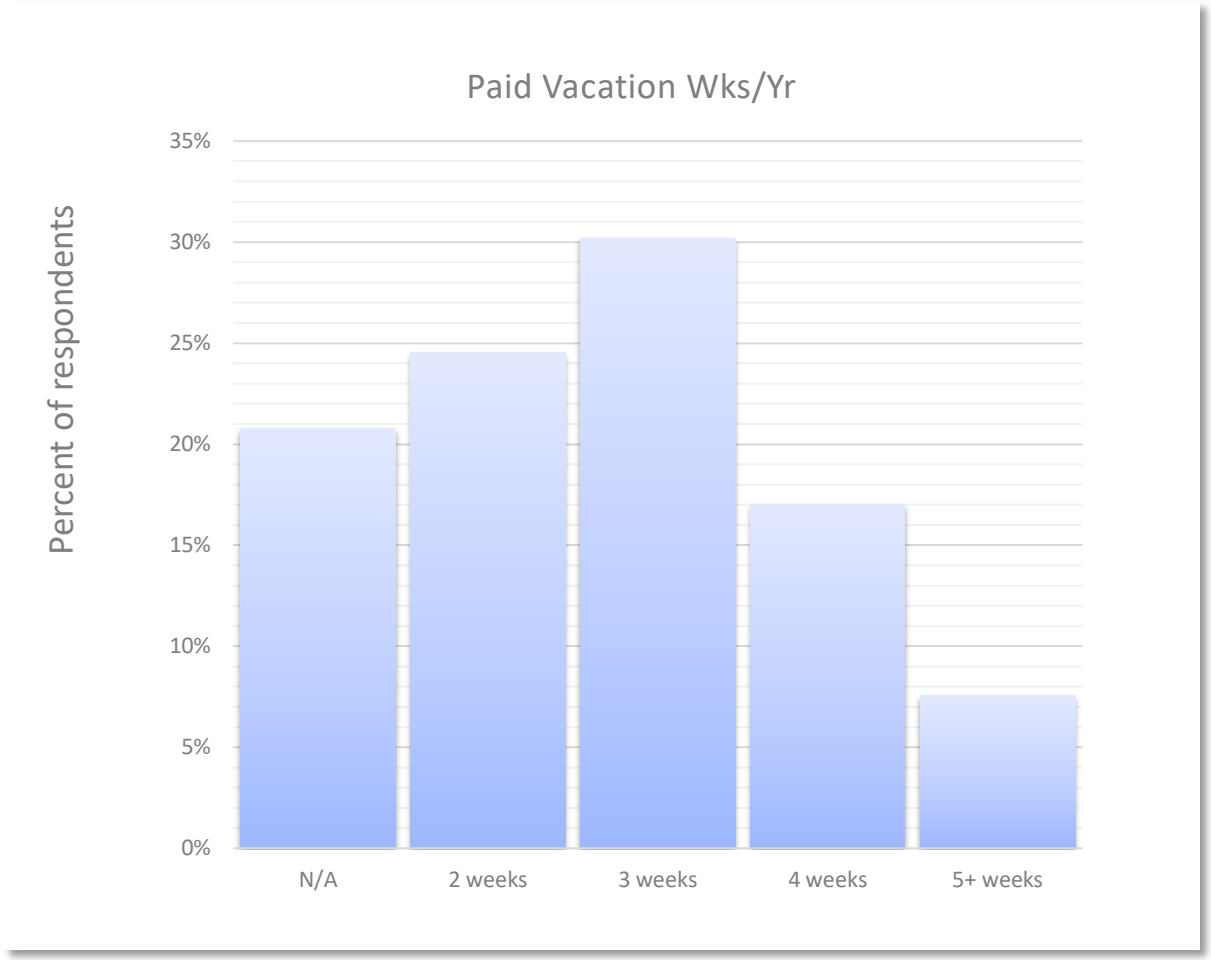
Graph Explanation

- Taking the same graph from previous page, here is shown an overlay of 2020 Compensation per each organization scale.

Insights

- Individuals and small companies earn significantly less.
- Larger organizations appear to have a more diffuse graduation from low- to high-earning, implying many more layers.

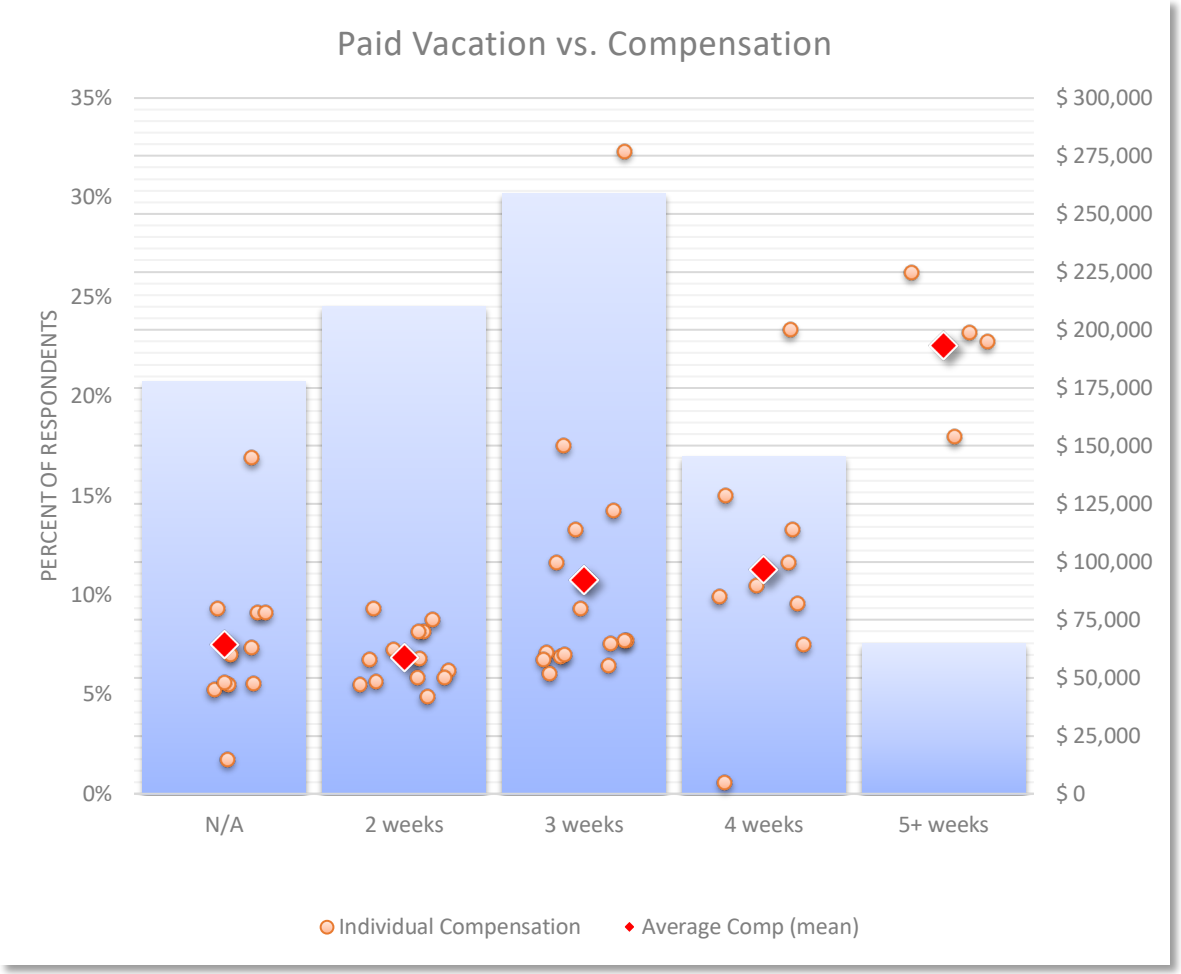
How much paid vacation do people have?



Insights

- But frankly, during Covid, where would you even go for vaykay?

How is Paid Vacation related to compensation?



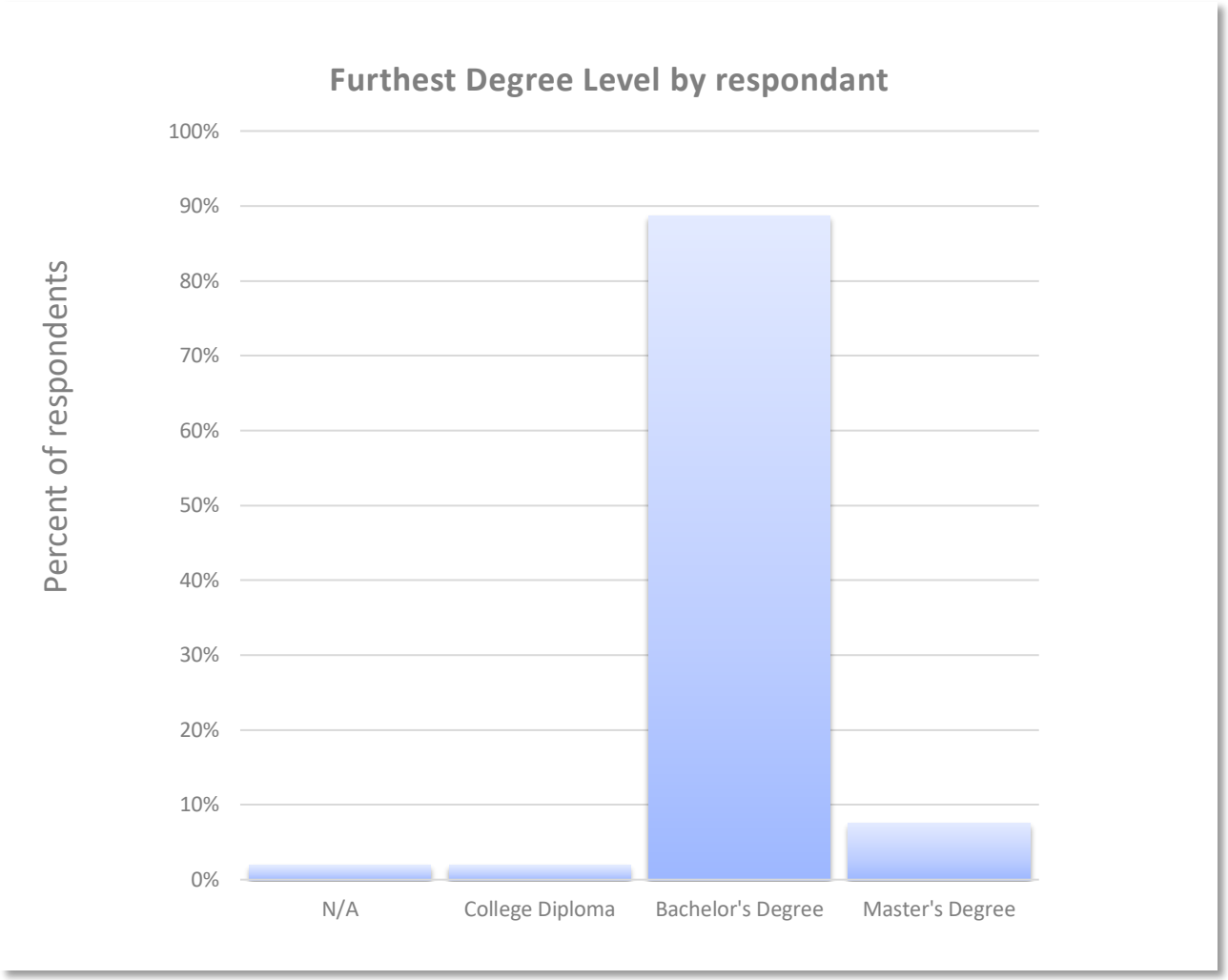
Graph Explanation

- Same graph as last page, overlaid with 2020 Compensation.

Insights

- *Correlation, not causation:* Common sense suggests that compensation tracking with paid vacation is a by-product, not a driver, of higher compensation.

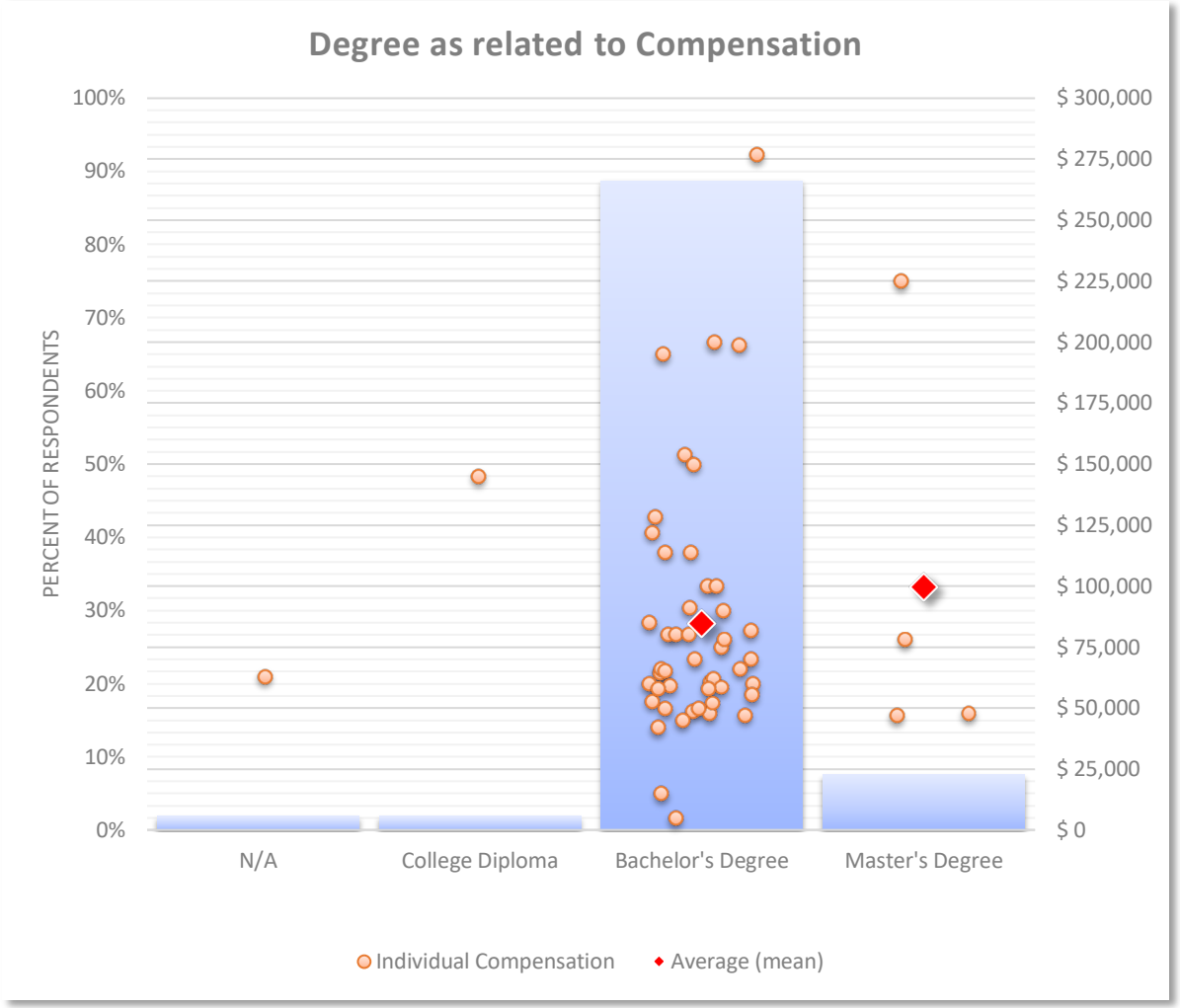
What max. level of ID education do designers have?



Insights

- That’s a lot of Bachelors.

How does ID education impact compensation?



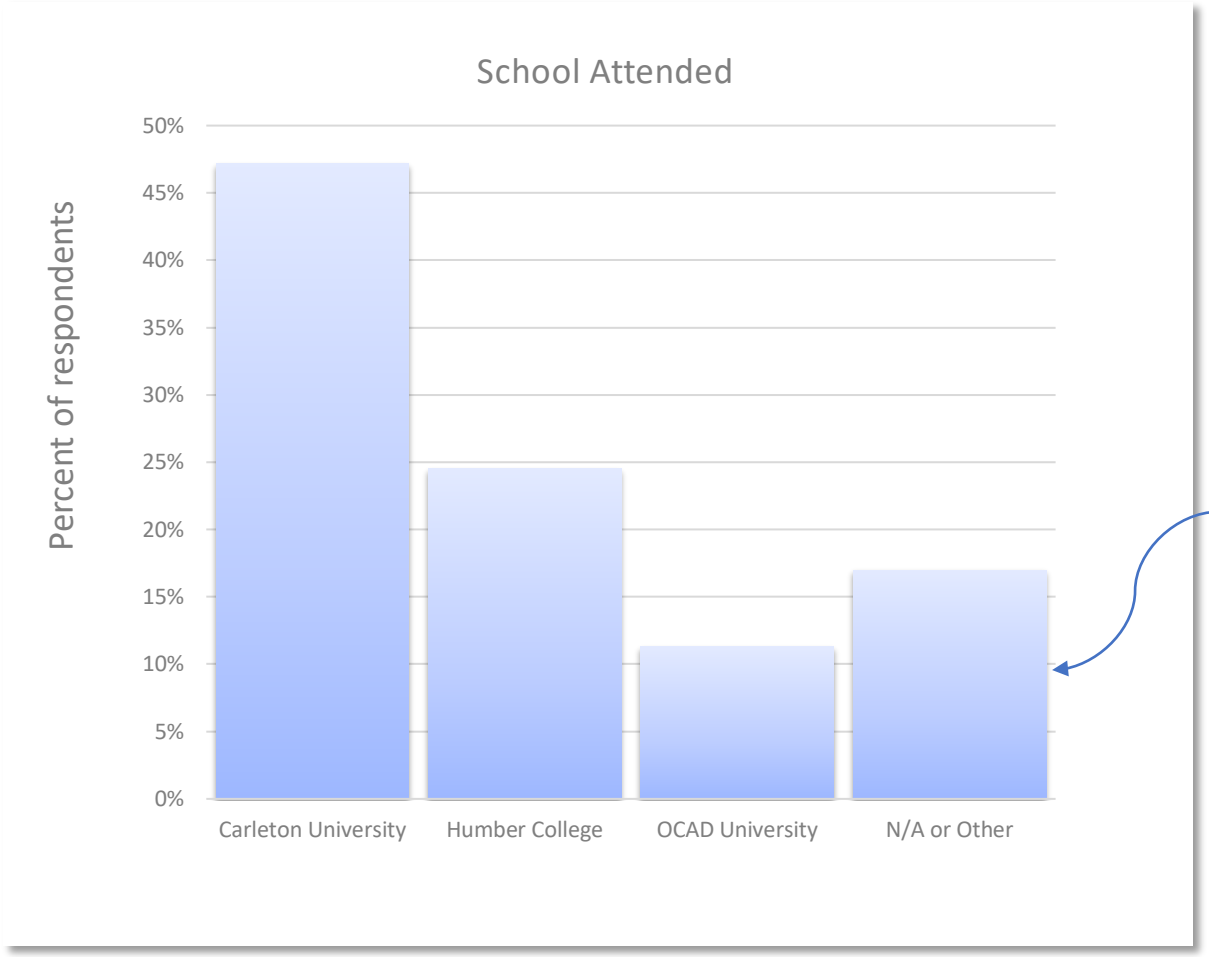
Graph Explanation

- Same graph as last page, overlaid with 2020 Compensation.

Insights

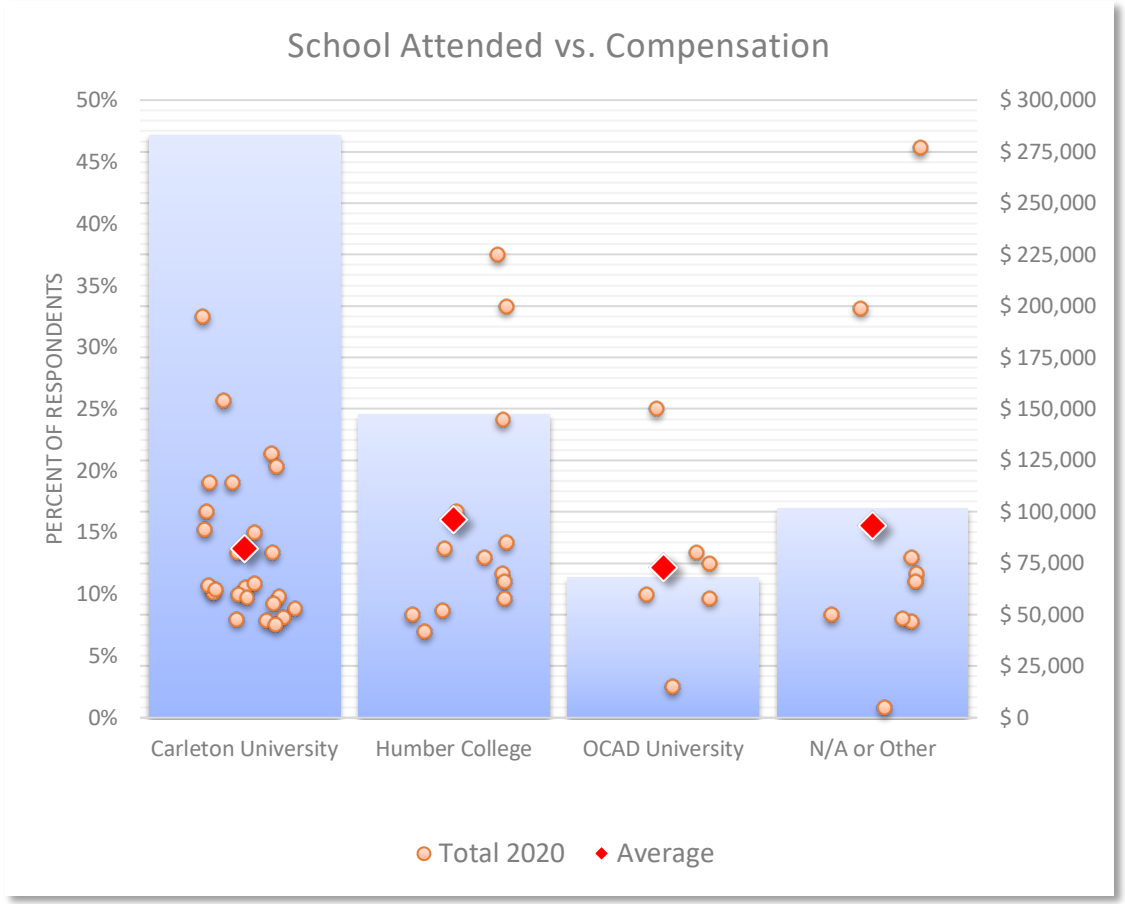
- College and N/A – too little data to draw conclusions.
- Masters Degree – small sample size and very wide distribution mean the higher average compensation shown in this category is an *indicator* - but certainly no *guarantee* - of some correlation between advanced degree and higher compensation; an area for future investigation.

WHERE did respondents go to school?

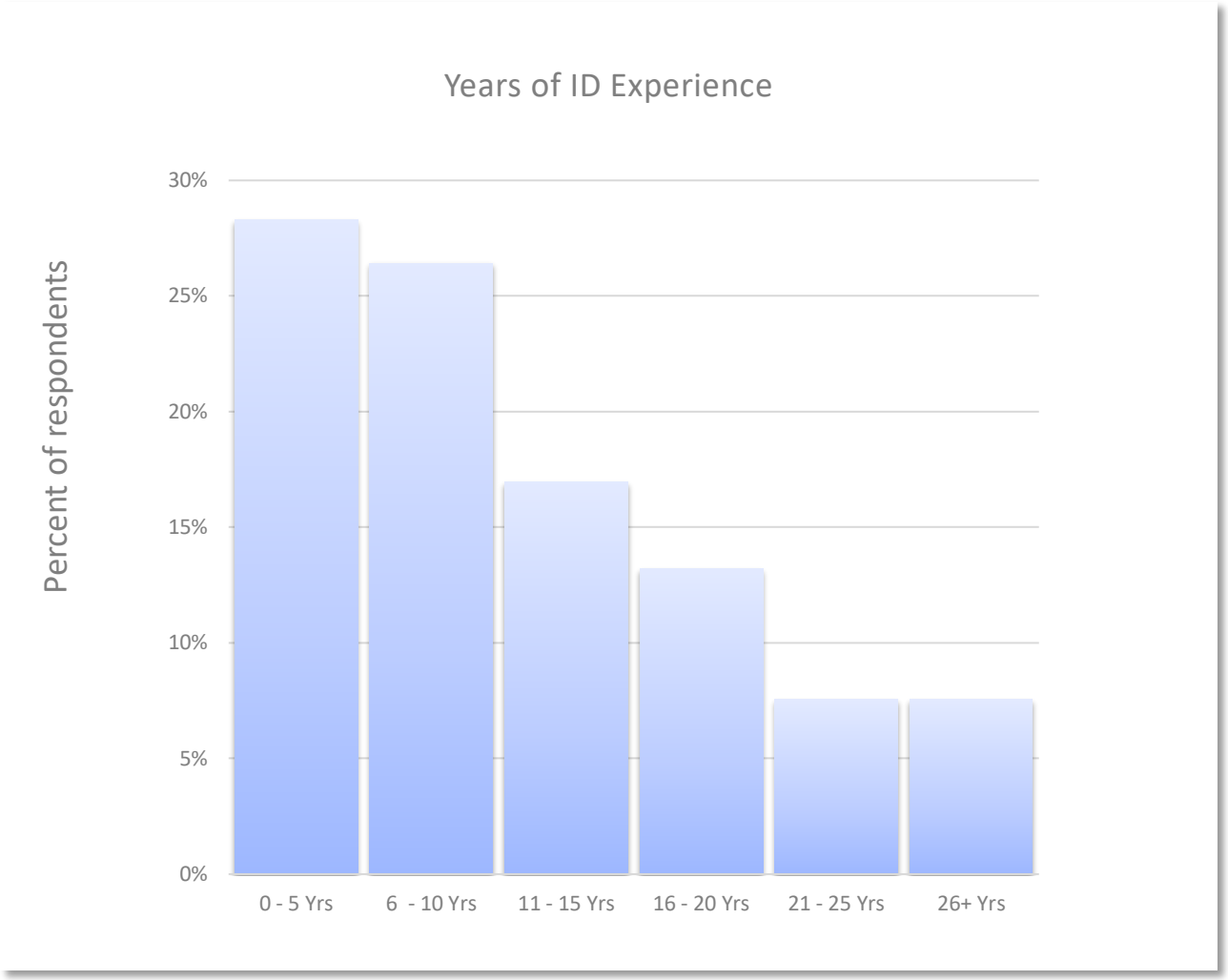


- Cleveland Institute of Art
- Rhode Island School of Design
- University of Alberta
- University of Antwerp, belgium
- University of Calgary
- University of Johannesburg
- University of Waterloo

Does WHERE you went to school impact compensation?



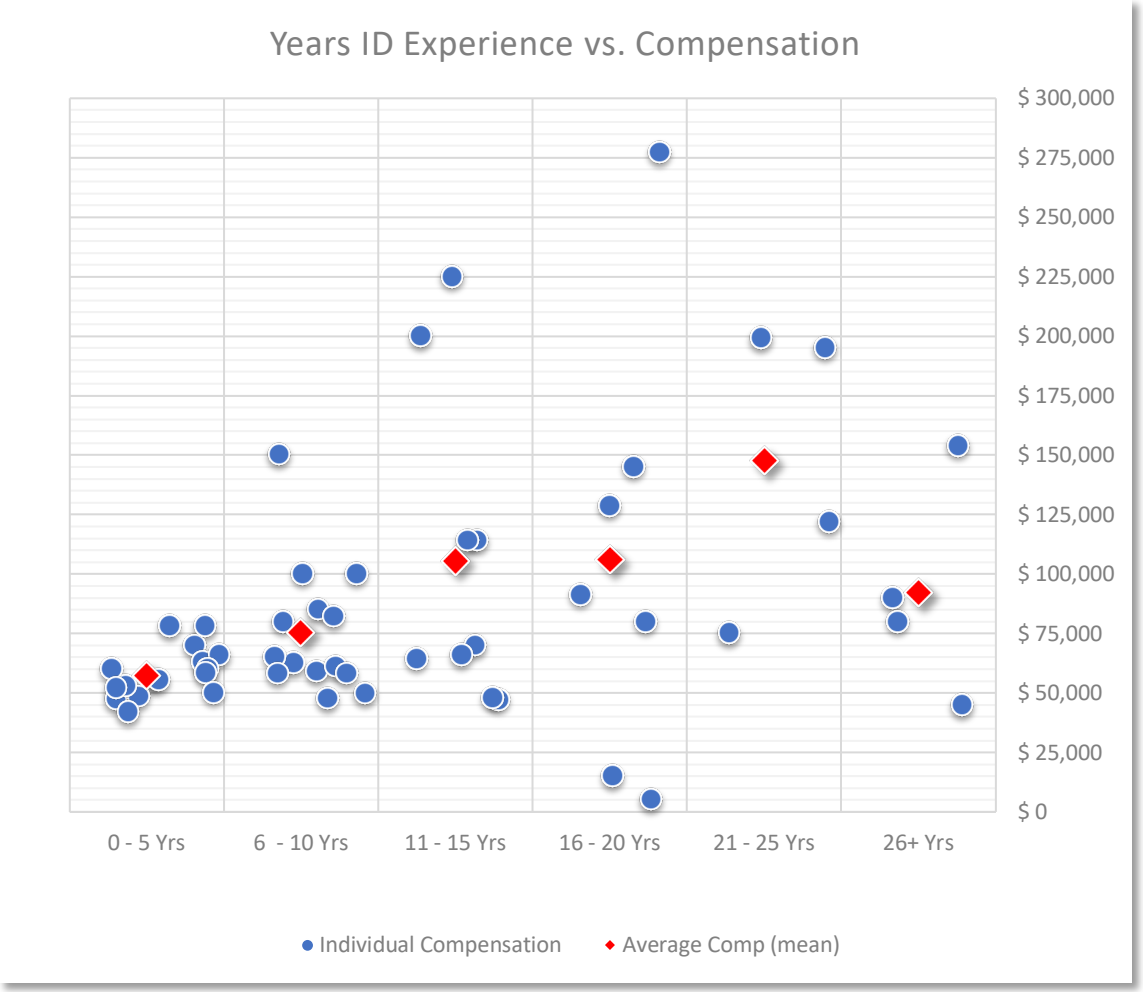
How much professional Experience do respondents have?



Insights

- Responses here are representative of a cross section of the Industrial Design profession: more participants in younger cohorts, with a gradual winnowing over time.

How does Experience impact compensation?



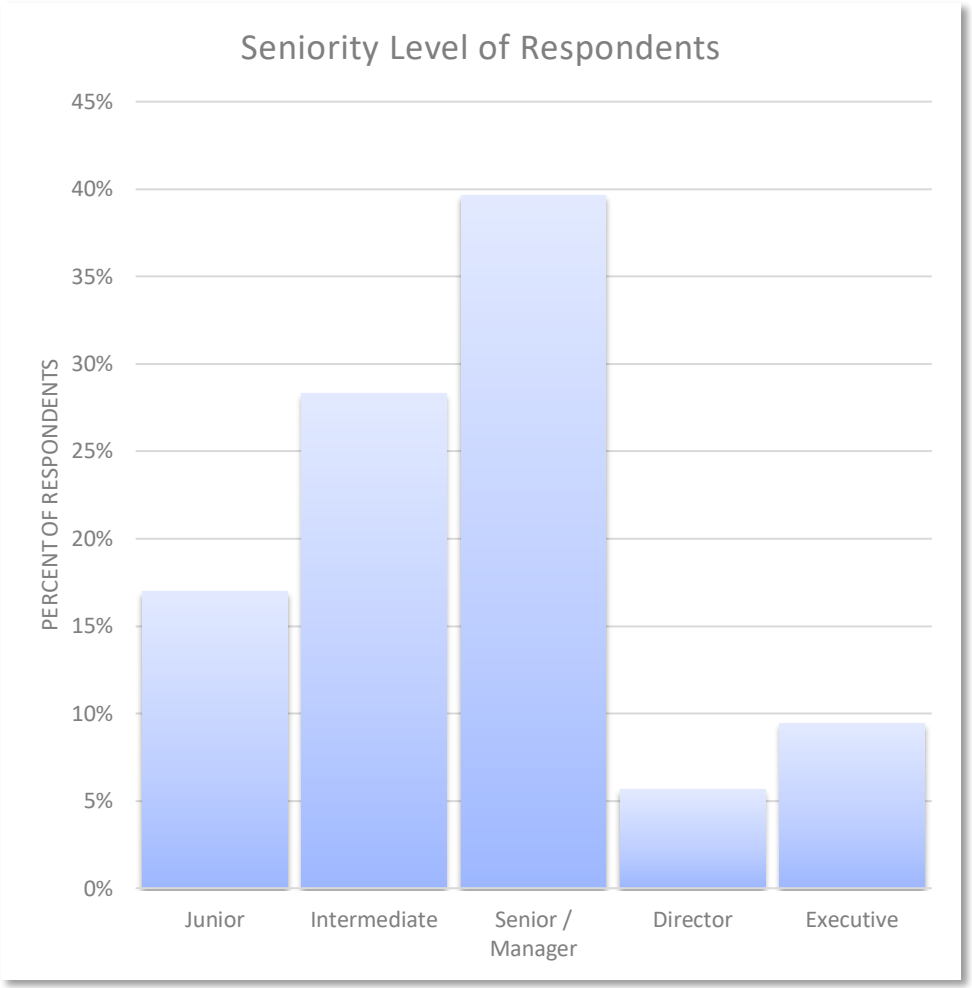
Graph Explanation

- Each blue dot represents one respondent.

Insights

- **This one is the big one:** the one variable to rule them all.
- **"The Shotgun"** – Designers *start* in a very similar compensation bracket, and then over their careers that starts to spread.
- Highest average earnings are in the 21-25 yr cohort.
- Alghough there is shown here a decline in *top-end* earning at 26+ yrs, the bottom bracket is significantly *higher* than younger cohorts. This perhaps suggests that, by this age, this cohort is "comfortable".
    - **Caveat:** This reporting is on **income from design-related activities.** There is a possibility that at higher age brackets, income from non-design activities (e.g. stocks, bonds, real estate holdings, etc.) may play significant but unreported roles in designers' financial lives.

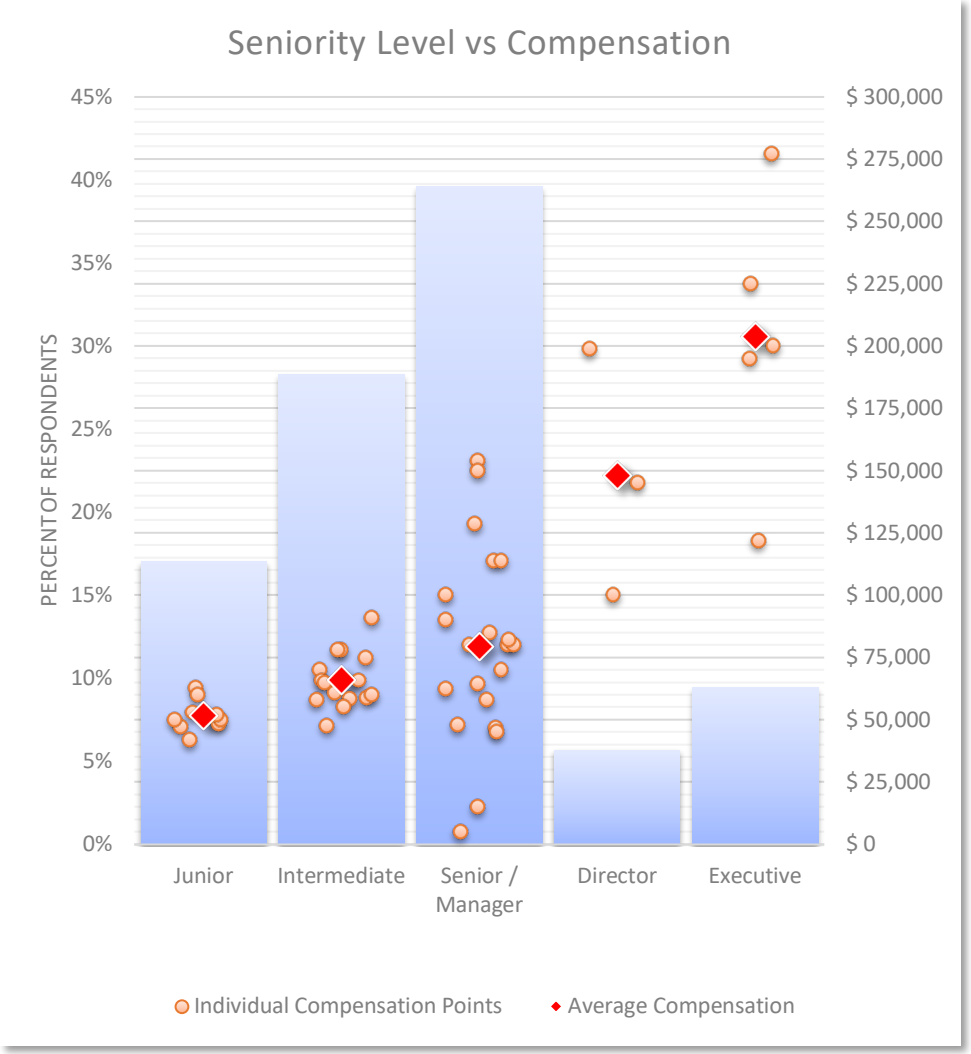
What is the seniority level of respondents?



Insights

- This data is a bit surprising, as the age groups of the respondents is skewed strongly from youngest (most respondents) to oldest (fewest respondents), fairly linearly.
- This implies that there are many younger Seniors/Managers. This could be interpreted either as a very ambitious younger cohort, or a limitation of the study, in that independents and freelancers would self-identify as Senior or Manager.

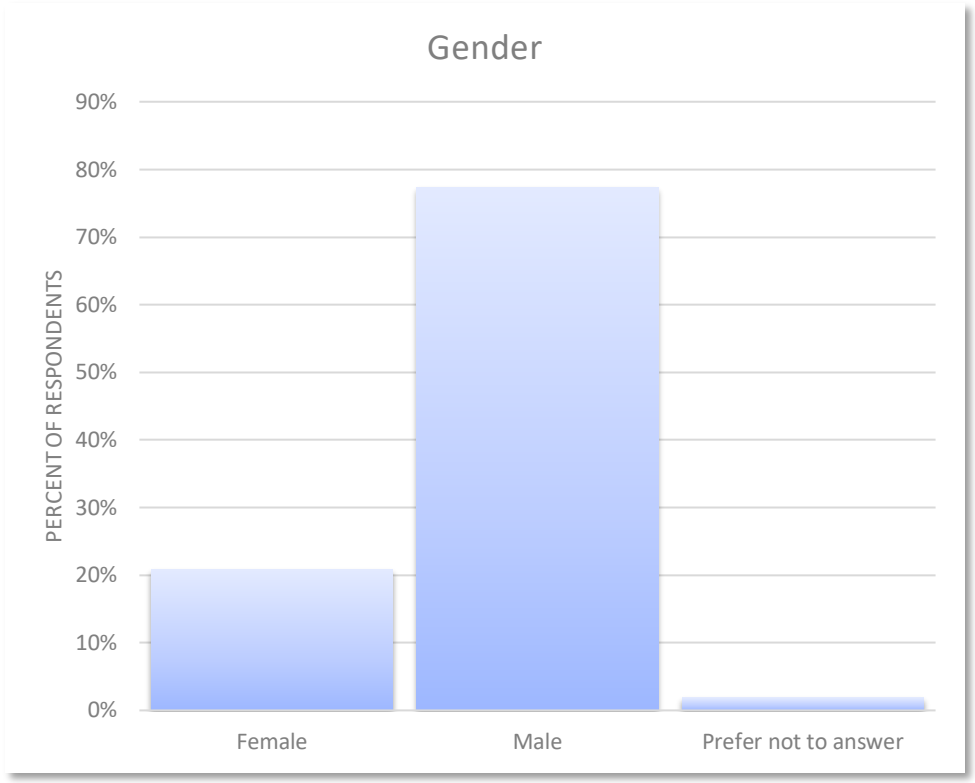
How does seniority level impact compensation?



Insights

- No insights; this data is as-expected.

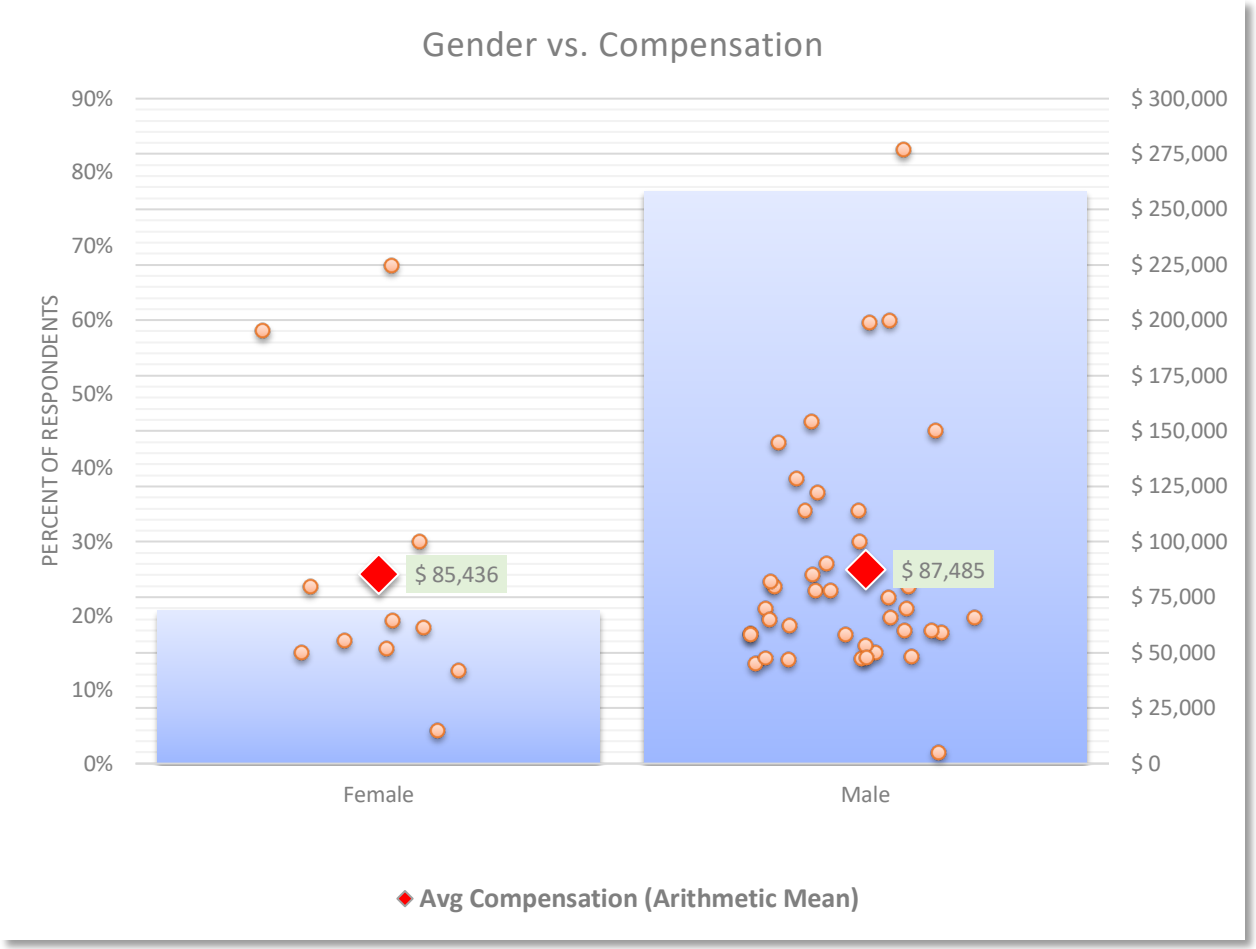
What is the GENDER of respondents?



Insights

- Wow: only one quarter of respondents are female.

How does GENDER Impact compensation?



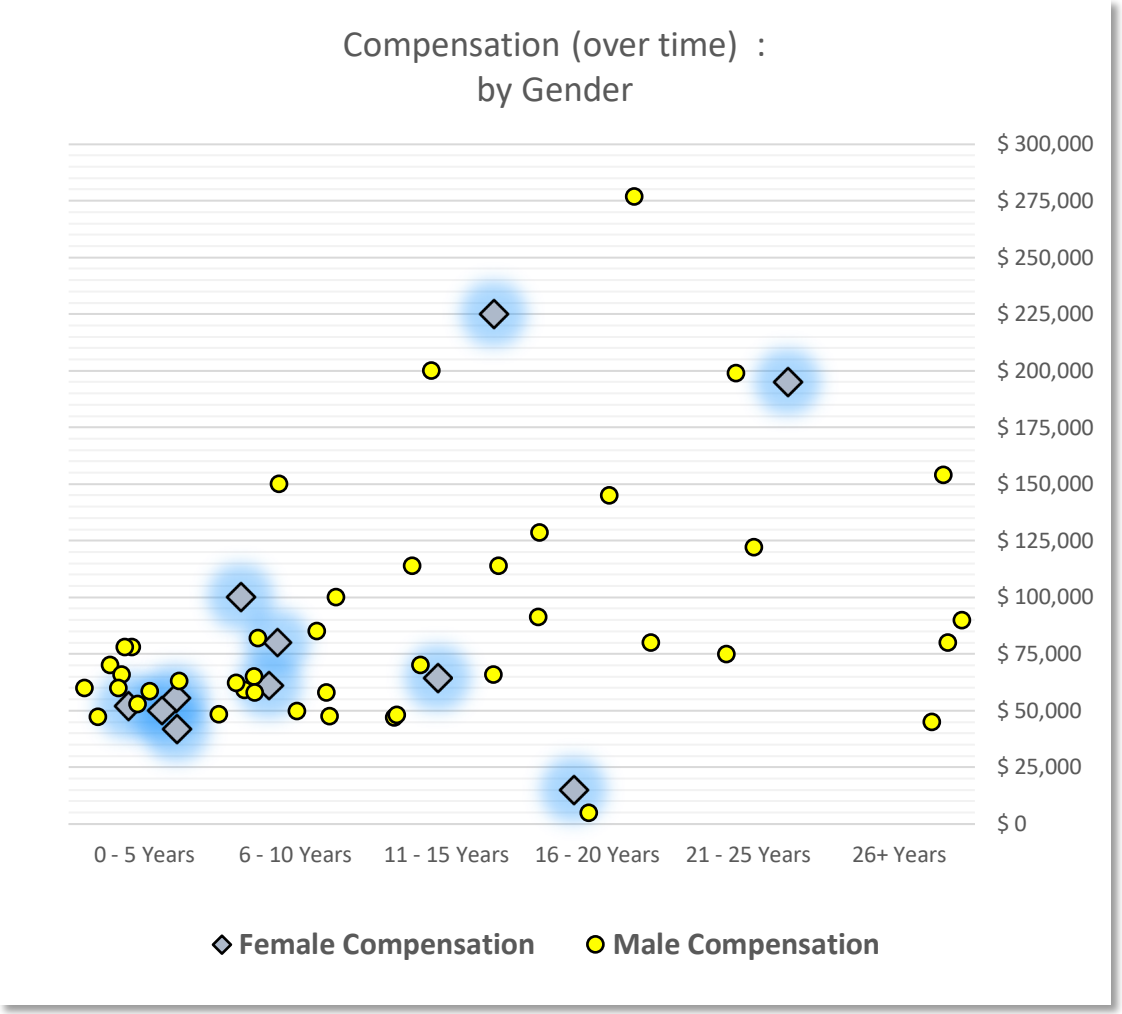
Graph Explanation

- The Red Diamond represents **Average Compensation**.

Insights

- Looking at the averages, the difference is only about $2k – or just a bit over 2%; i.e. not a significant difference.
- But this data deserves a closer look to see if it tells the full story.
  (See next…)

How does GENDER Impact compensation OVER TIME?



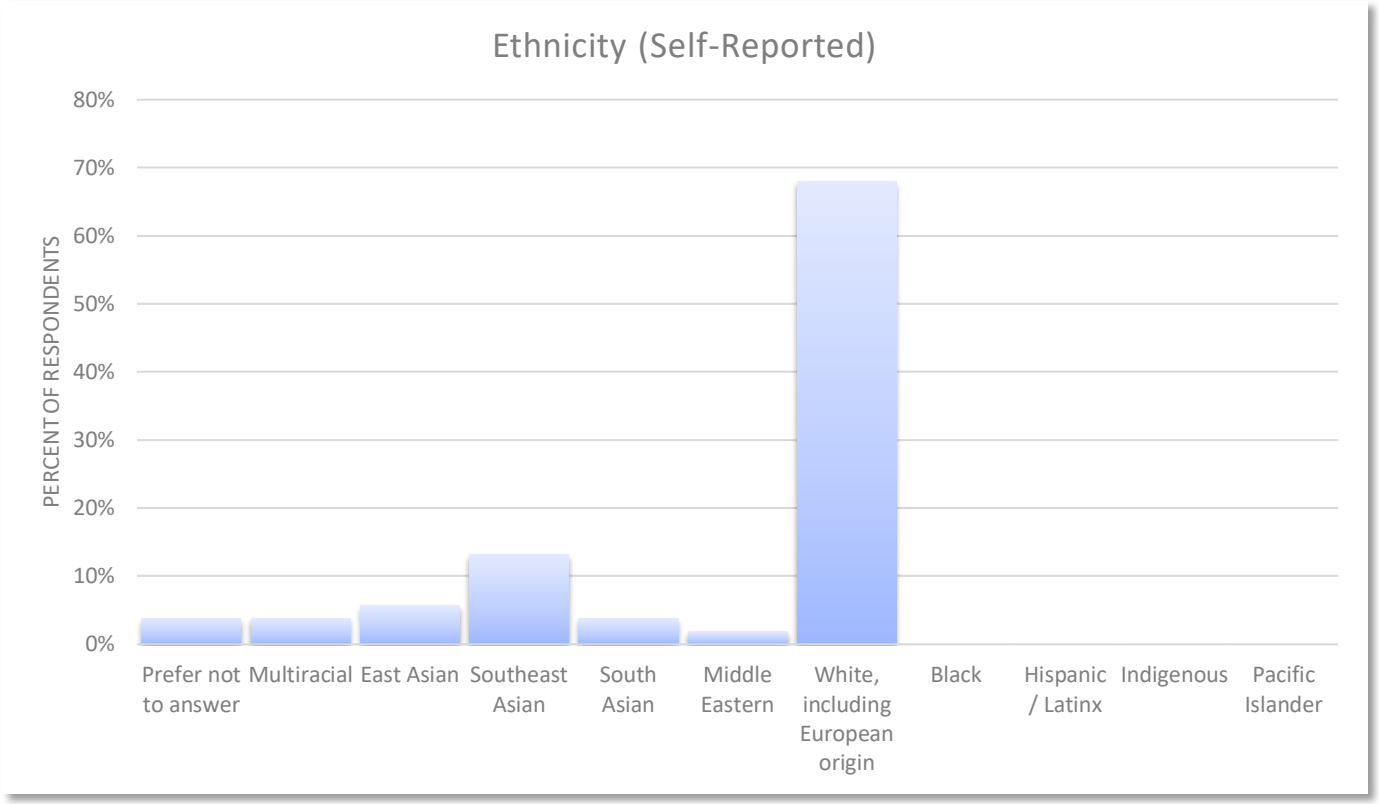
Graph Explanation

- Because total compensation is strongly driven by the number of years of professional experience, to evaluate whether there is income parity among this dataset requires incorporating the variable of *time.*
- This graph tracks how total compensation (by gender) changes over time (actually, years of professional experience).
- Male compensation is shown as the yellow circles, Female compensation as the blue diamonds.

Insights

- Male and Female total compensation appear similar.
- But the **number of women** in the field seems to drop over time – that is, there are more 'early career' females, but fewer over time.
- **Some possible explanations**: perhaps women leave the profession mid-career, or perhaps there were fewer women in the profession 20 years ago, and what we are seeing is actually fast growth in female participation in design. But there is insufficient data to support either of these speculations.

What is the ETHNICITY of respondents?



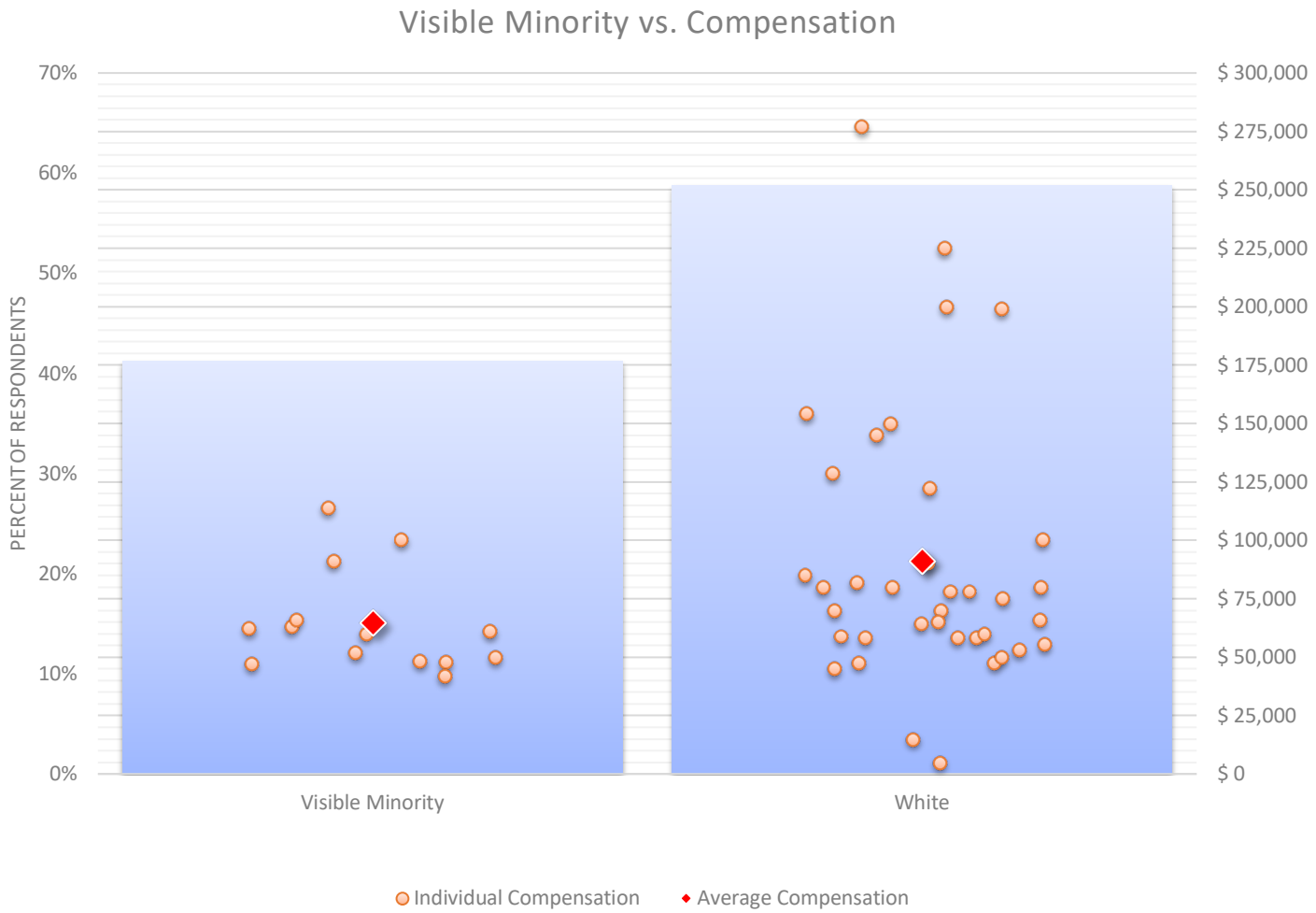
Graph Explanation

- These are self-reported ethnicities.

Insights

- It is interesting that **no respondents** identified as Black, Hispanic/Latinx, Indigenous or Pacific Islander.

How does ETHNICITY Impact compensation?



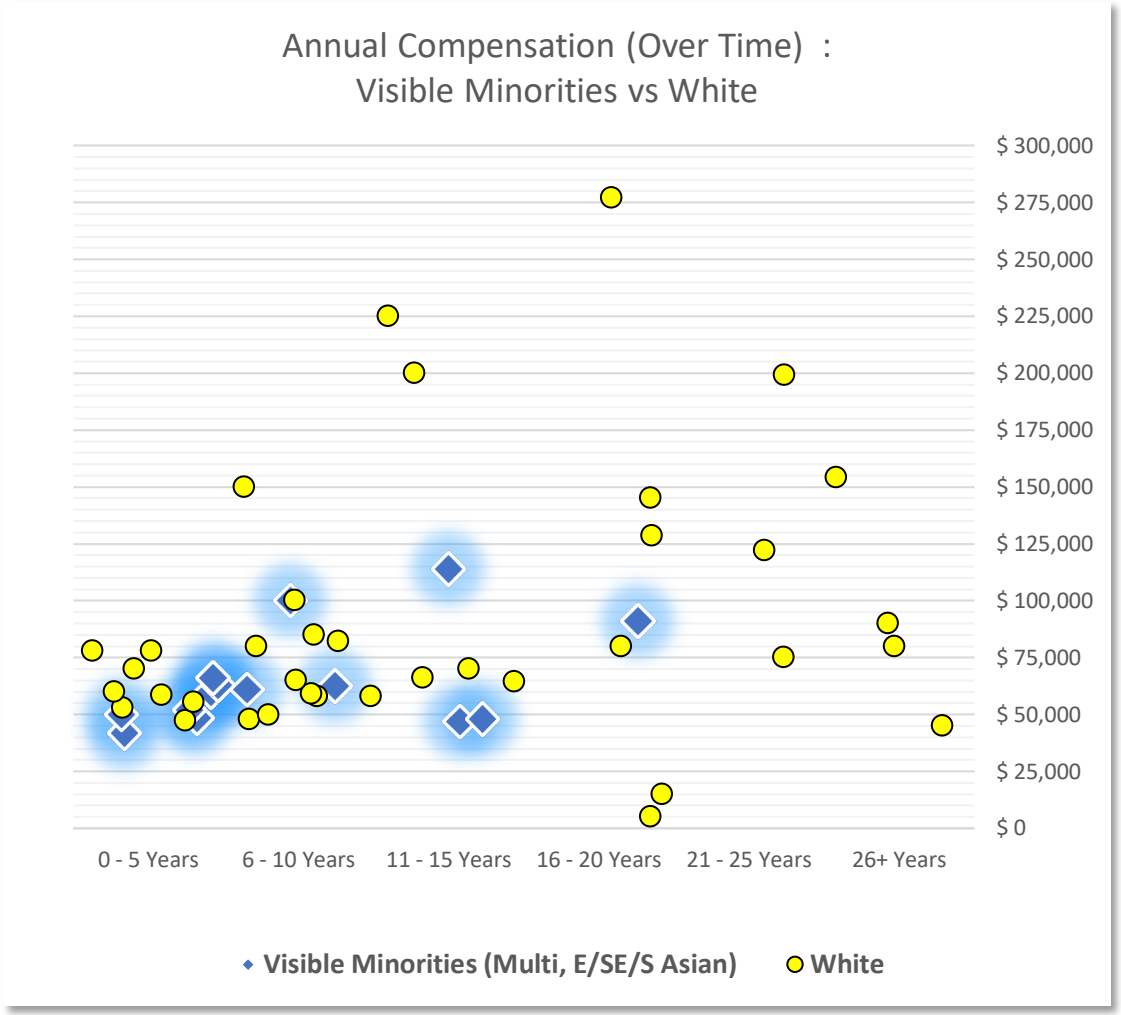
Graph Explanation

- The intent of this graph is to determine whether being a visible minority impacted compensation. In order to maintain respondents' anonymity, ethnicity data was aggregated into 'White' vs. 'Visible Minority' clusters.
- In this dataset, 'Visible Minority' is comprised of Asian (South, South-East, East), and 'Multi-racial'. All demographic information is from respondent's voluntary, self-identifying responses.

Insights

- There is a clear and significant difference in compensation levels between these two groups.
- This data also deserves a closer look to see if it tells the full story. See next…

How does ETHNICITY impact compensation OVER TIME?



Graph Explanation

- Because total compensation is strongly driven by the number of years of professional experience, to evaluate whether there is income parity among this dataset requires incorporating the variable of *time.*
- This graph tracks how total compensation (by **ethnicity**) changes over time (actually, years of professional experience).
- *White* compensation is shown as the yellow circles, *Visible Minority* compensation as the blue diamonds.

Insights

- The data is startling – compensation among Visible Minorities appears significantly lower than their White counterparts.
- **Caveat**: While it may appear that being a Visible Minority drives lower compensation, that may or may not be accurate: it *could* be driven by other external factors that are just strongly *correlated* with being a visible minority. For instance, immigrating to Canada as an adult may hypothetically lower earnings vs. a native population, a typical scenario for many cultural-transplant immigrants regardless of specific ethnicity. However, this is highly speculative, and more data and research are merited for future studies.

Summary

Key takeaways

The demographic and financial data in this study point to fascinating findings.

- **Females** are *far* under-represented vs. Males, especially in later-career cohorts, but compensation level is similar.
- **Visible minorities** are compensated less than their non-visible-minority peers.
- **The year of COVID** was financially painful for some, but most were OK, or even thrived.

Future study topics

Several entire question categories posed on the survey were discarded during analysis, as we realized questions were asked too imprecisely, yielding equally imprecise answers. Presenting *no* data is better than presenting *misleading* data.

Future surveys will clarify questions for specificity; e.g. number of hours worked per week, specifying design time vs. general or administrative work time, etc.

Future surveys may drill into the **'Visible Minorities' Under-Compensation** question more deeply, to determine whether there may be other factors at play; for instance, cultural fluency, 1st generation immigrant vs. 2nd or beyond, etc.

Future surveys may examine **Female Under-Representation** questions, and explore why there appears to be a steep drop-off in later-career female designers.

Future surveys may examine issues of Gender Identity, but they were not explored in this survey due to sample-size limitations. Larger studies will assuredly yield a trove of new and valuable insight about this and other emerging and relevant explorations.

For those readers interested in additional questions or datasets for future studies, or for those looking for additional data on this survey, please contact the ACIDO board of directors.