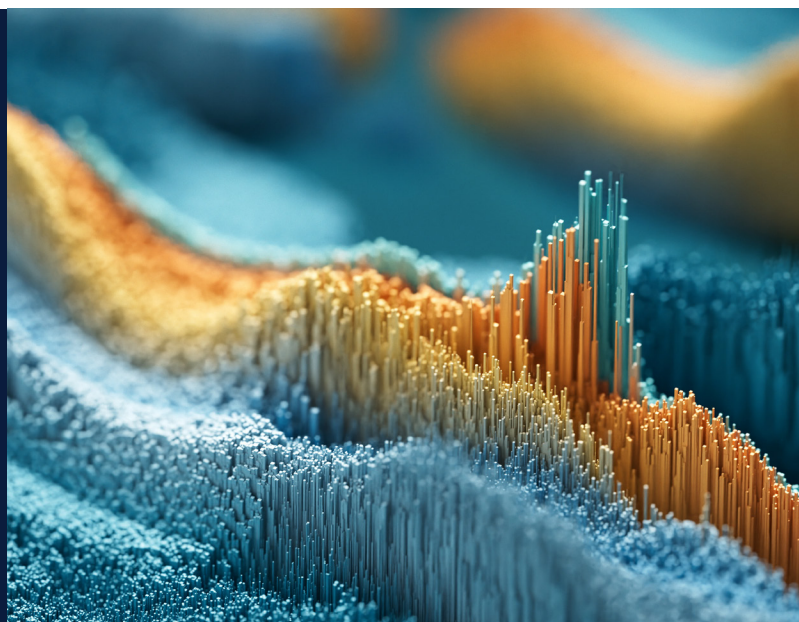


2025 S&P 500 Director Compensation



Director compensation

This report provides a snapshot of the findings of the 2025 *U.S. Spencer Stuart Board Index* on director compensation of S&P 500 boards.

It sets out headline data relating to 2024 compensation levels as reported in the 2025 proxy year (described as 2025 pay throughout the report) and highlights key year-on-year movements. It uses five-year, 10-year and even 20-year comparisons to give context to some of today's most significant trends, revealing where incremental annual shifts are indicative of more considerable long-term changes.

Average total director compensation increases 3% to \$336,352

The average total compensation for S&P 500 directors (excluding independent chairs' fees) is \$336,352, an increase of 3% from \$327,096 in 2024 and consistent with the 2024 rate of inflation.

Stock awards continue to be significantly more common than stock options. Nearly six in 10 (59%) boards provided stock awards this year, up slightly from 58% in 2024. Cash accounts for 36% of director compensation, marking its first change after staying at 37% for three consecutive years. The proportion of boards granting stock options to directors has held steady at 3% since 2023, down from 5% in 2022.

Highlights: Compensation — S&P 500 directors

DIRECTOR PAY CONTINUES TO GROW SLOWLY

Compensation for all directors is rising steadily, and nearly every S&P 500 board now provides extra compensation for independent chairs and lead or presiding directors.

DIRECTOR PAY IS KEEPING PACE WITH INFLATION

Average total compensation* is up 3% to:

▲ **\$336,352**

* Excludes compensation of independent chairs. The average including compensation of independent chairs is \$343,225.

The average annual retainer rose 2% to:

▲ **\$146,605**

AND LEAD DIRECTORS ARE RECEIVING GREATER FINANCIAL RECOGNITION THIS YEAR

The average premium paid to independent board chairs

▼ **\$172,867**

down 0.2% from 2024

199 out of 200 S&P 500 boards with independent board chairs provide this



The average premium paid to independent lead or presiding directors

▲ **\$51,011**

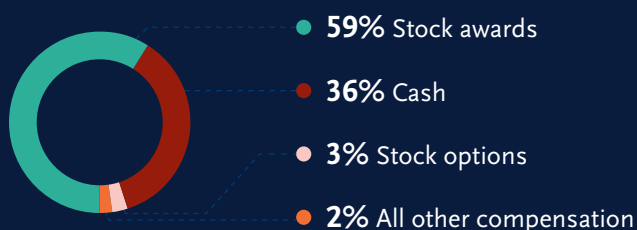
up 5% from 2024

Almost all boards with lead or presiding directors provide this

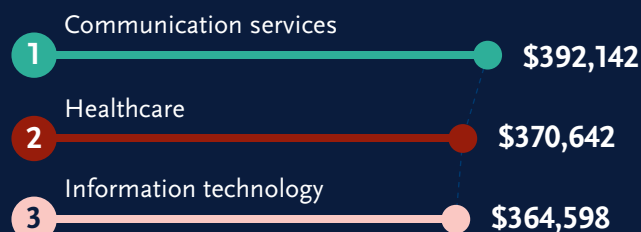


THE COMPENSATION STRUCTURE AND THE HIGHEST PAYERS HAVEN'T CHANGED SINCE LAST YEAR

Stock awards continue to make up the largest portion of director compensation



The top three highest-paying sectors are also unchanged from 2024



A supermajority of boards (67%) offer deferred compensation plans, down one percentage point from last year. This has declined over the past 20 years: it was 71% in 2005 and 73% in 2015.

THE COMPOSITION OF S&P 500 DIRECTOR COMPENSATION IS SIMILAR TO LAST YEAR

	2025		2024	
Cash*	36%	<div><div></div></div>	37%	<div><div></div></div>
Stock awards	59%	<div><div></div></div>	58%	<div><div></div></div>
Stock options	3%	<div><div></div></div>	3%	<div><div></div></div>
All other compensation**	2%	<div><div></div></div>	2%	<div><div></div></div>

* Includes deferred compensation amounts

** "All other compensation" consists of insurance, charitable award programs and incremental costs to the company of products provided

A decade of change in director pay

Over the last 10 years, director compensation practices have shifted in both structure and scale. While annual retainers remain nearly universal, other forms of pay — such as meeting fees and equity grants — have evolved considerably.

CHANGES IN DIRECTOR COMPENSATION OVER THE PAST 10 YEARS

Types of compensation	% of boards		Average paid		% change in value	
	2025	2015	2025	2015	One-year % change	10-year annualized change
Board retainer*	99%	100%	\$146,605	\$112,144	2%	3%
Board meeting attendance fee	2%	21%	\$4,240	\$2,041	11%	8%
Committee chair retainer	98%	95%	\$26,236	\$18,659	3%	4%
Committee meeting attendance fee	2%	26%	\$4,390	\$1,678	146%	10%
Stock options in addition to retainer	9%	16%	\$139,177	\$89,188	-1%	5%
Stock awards in addition to retainer	77%	77%	\$199,837	\$148,608	5%	3%

* Dollar amounts for retainers do not include boards that do not pay a retainer or boards that do not provide a dollar equivalent for the retainer equity amount

The average retainer rises 2% to \$146,605

The average annual retainer for S&P 500 directors is \$146,605, a 2% increase from last year's average of \$144,077. Over the past 20 years, director retainers have increased 5% on an annualized basis.

Retainers vary across the S&P 500. The lowest board retainer is \$28,500 and the highest is \$360,000. Both are partially paid in equity.

Over the past decade, there has been a marked shift in board retainer practices. In 2015, over half of boards (56%) paid annual retainers of less than \$100,000, while only 27% offered between \$100,000 and \$199,000. In 2025, that pattern has reversed: just 23% of boards now offer retainers under \$100,000, and 55% are in the \$100,000–\$199,000 range. Of the boards that pay retainers of less than \$100,000, eight offer retainers under \$50,000 — the same as last year.

At the other end of the scale, 74 companies (15%) pay retainers of \$300,000 or more, up from 61 companies (13%) a year ago and three (1%) five years ago. In total, 76% of boards pay a retainer of at least \$100,000, up from 74% in 2024.

DISTRIBUTION OF ANNUAL RETAINERS

	2025	2024	2020	2015
% of S&P 500 companies that pay their board directors retainers within each year				
Less than \$100,000	23%	26%	39%	56%
\$100,000–\$199,000	55%	52%	40%	27%
\$200,000–\$299,000	6%	9%	15%	16%
\$300,000 or more	15%	13%	5%	1%

Board meeting attendance fees continue to disappear

Only 10 boards, or 2%, pay board meeting attendance fees — down from 12 boards (2%) last year. In 2015, 21% paid these fees; in 2005, 62% did. Where they are paid, they range from \$900 to \$20,000; the average is \$4,240, up from \$3,825 in 2024.

Most boards continue to grant stock to directors

More than three quarters of S&P 500 boards (77%, up from 76% in 2024) grant stock awards to directors in addition to the cash retainer. The average dollar value of annual stock awards is \$199,837, up 5% from \$190,489 last year.

Stock options are slightly less common than in 2024. They are now granted to directors on 9% of boards, compared with 10% last year. The average disclosed value of option grants has also decreased, from \$140,405 in 2024 to \$139,177 — a 1% decrease.

Nearly all boards (93%) disclose having share ownership guidelines for directors — a percentage point decrease from last year (94%) but an increase from 90% in 2015. Typically, these guidelines require directors to own shares representing a multiple of the retainer value within a specified number of years, with the goal of aligning directors' interests with those of shareholders.

EQUITY COMPENSATION

	2025	2020	2015
Stock options	9%	11%	16%
Stock awards granted in addition to retainer	77%	78%	77%
Stock awards granted as a part of retainer	22%	20%	21%
Directors may elect to receive stock in lieu of cash	45%	49%	54%
Directors may elect to receive stock options in lieu of cash	3%	3%	3%
Retainer paid fully in stock	2%	2%	2%

Nearly all boards with independent chairs provide additional compensation

All but one of the 200 S&P 500 boards with independent chairs (up from 190 in 2024) provide the chair with additional compensation. This chair premium averages \$172,867, a 0.2% decrease from \$173,279 last year, and ranges from \$40,000 to \$500,000.

Among the 300 S&P 500 boards that have a lead or presiding director, 95% pay them additional compensation. The average lead director premium is \$45,449, down 7% from last year. The gap between the premium paid to lead directors and the premium paid to presiding directors has widened again, after narrowing last year. This year, the premium paid to lead directors is 63% higher than the \$27,813 average for presiding directors. In 2024, the gap was 18%. The average premium paid to presiding directors decreased 48% from \$41,250 last year.

Committee chair retainers are almost universal

Almost all S&P 500 boards (98%) provide a supplemental retainer for service as a committee chair, compared with 95% a decade ago.

Audit committee members and chairs tend to receive the highest supplemental retainer. Compensation committee members and chairs receive the second highest supplemental retainer, followed by nominating/governance committee members and chairs.

Like last year, half of boards provide a retainer for service on one or more committees, compared with 41% a decade ago.

COMMITTEE RETAINERS

	Average committee retainer			% of boards paying		
	2025	2020	2015	2025	2020	2015
Committee members						
Audit committee	\$14,941	\$13,753	\$12,426	50%	48%	41%
Compensation committee	\$12,382	\$11,578	\$11,777	39%	36%	28%
Nominating committee	\$10,551	\$9,449	\$8,926	39%	35%	26%
Committee chairs						
Audit committee	\$31,404	\$27,827	\$24,125	98%	98%	95%
Compensation committee	\$25,329	\$22,013	\$19,972	98%	97%	93%
Nominating committee	\$21,918	\$18,362	\$14,399	97%	96%	92%

Committee meeting attendance fees continue to be rare: just 2% of S&P 500 boards pay them — the same as last year, but significantly lower than a decade ago when it was 26%. The average committee attendance fee is \$4,390, a considerable increase from \$1,785 last year.

Directors in the communication services sector continue to receive the highest compensation

Average total director compensation varies significantly across industries, ranging from a low of \$308,416 in the utilities sector to a high of \$392,142 in communication services. The average compensation for directors of communication services companies is 17% more than the S&P 500 average, while average compensation for directors in the utilities sector trails the S&P 500 average by 8%.

Among technology companies, stock awards account for 67% of director compensation — the biggest share of any sector. Options are more often awarded to directors of healthcare companies than they are to directors in other sectors.

AVERAGE COMPENSATION PER NON-EMPLOYEE DIRECTOR BY SECTOR*

Sector	% of total average compensation				
	Total average compensation	Cash**	Stock awards	Option value	All other compensation***
Communication services	\$392,142	33%	65%	0%	1%
Consumer	\$318,398	34%	62%	2%	2%
Energy	\$346,427	39%	55%	0%	5%
Financials	\$333,882	40%	58%	1%	1%
Healthcare	\$370,642	31%	55%	11%	3%
Industrial	\$320,918	41%	54%	3%	2%
Information technology	\$364,598	30%	67%	2%	1%
Real estate	\$310,509	36%	63%	0%	1%
Utilities	\$308,416	44%	54%	0%	2%
Average	\$336,352	36%	59%	3%	2%

* Based on total compensation per non-employee director tables included in 489 proxies this year (excluding independent chairs' fees)

** Includes deferred compensation amounts

*** "All other compensation" consists of insurance premiums, charitable award programs and incremental costs to the company of products provided

Director compensation is rising fastest at mid-sized companies

Average director compensation tends to increase with company size.

Over the past five years, mid-sized companies have seen the greatest year-on-year growth in director compensation. At the smallest firms, compensation declined over the past year.

AVERAGE DIRECTOR COMPENSATION BY ANNUAL COMPANY REVENUE

Annual revenue	2025	One-year change	Five-year change
Less than \$2.5 billion	\$293,382	-2%	1%
\$2.5 billion–\$10 billion	\$331,307	4%	13%
More than \$10 billion	\$352,465	2%	10%

Editor's note

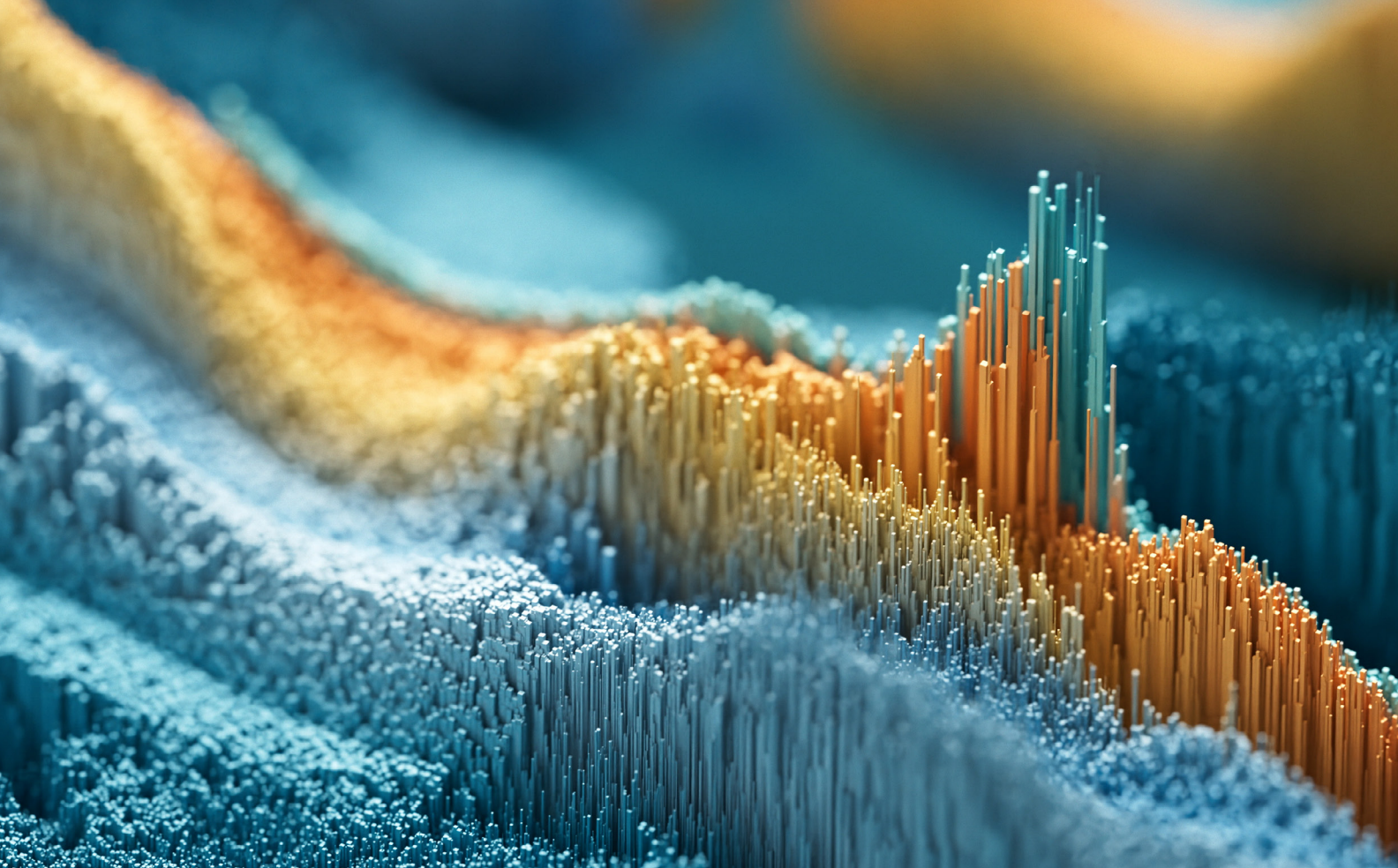
Based on the S&P 500 as of April 30, 2024. Fiscal year 2023 company sales and industry/sector categories were obtained from S&P Capital IQ. All remaining data were pulled from the most recent DEF14A proxy statements released between May 1, 2024 and April 30, 2025.

Tenure includes time at company and the company's predecessors. Total current other corporate board affiliations for new directors were found by counting any public company boards a director was on upon appointment to the new S&P 500 board, including executive. First-time directors have not previously served on any public company board, whether their own board or an outside board.

Total average compensation per non-employee director is based on non-employee director compensation tables included in 489 proxies. The number includes all board and committee retainers and meeting fees, supplemental lead/presiding director fees, the value of equity compensation, and all other compensation paid in fiscal year 2023.

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Data in tables may not total 100% due to rounding.



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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.



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