SpencerStuart

2025 S&P 1500 CEO Transitions:

Behind the CEO Moment

Every year, we analyze thousands of data points to decode the changing landscape for CEOs and offer advice for boards, CHROs and CEOs themselves for making a CEO transition a defining moment for lasting success.

Marked by greater market volatility, inflation and activist pressures, complex trade dynamics and economic uncertainty, 2025 was a banner year for CEO turnover. In all, 168 new S&P 1500 CEOs were named during 2025 — the most since 2010. Investors and boards had less patience for CEOs overseeing weak growth and for those slow to transform their organizations for an AI-centric future.

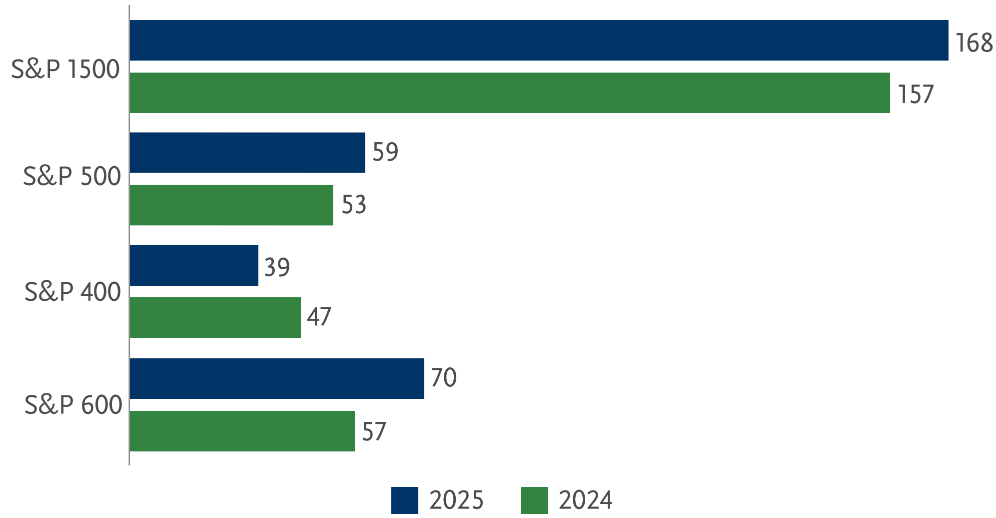
While many factors — from industry dynamics, company structure and performance to internal talent pipelines and the presence of an activist investor — influence CEO transition decisions, our 2025 analysis noted several key trends:

- **Shorter tenures appear to be the new norm.** On the decline since 2021, average tenure now stands at 8.5 years. Nearly 40% of S&P 1500 CEOs left within their first five years. Our research into the CEO life cycle finds that the performance of the most successful CEOs markedly diverges from lower-performing CEOs in Years 3–5 of their tenure.
- **First-time CEOs make a comeback.** In 2024, more than one in five newly appointed CEOs had previously been a public company CEO, building on a multiyear trend toward experience. 2025 bucked that trend, with first-time CEOs making up 84% of the incoming class. Of the 140 first-timers, the majority had no enterprise CEO experience at all and two-thirds of them had no board service experience.
- **CEOs are trending younger.** Likely related to the rise in first-time CEOs, new CEOs in 2025 were younger on average than in 2024 and more likely to be internally promoted than hired from outside the company.

Highest number of CEO transitions since 2010

With 168 new S&P 1500 CEOs named during 2025 — the most in more than 15 years — it was a robust year for transitions. The surge in leadership transitions was broad-based, but strongest among smaller companies: 70 SmallCap 600 companies named new CEOs in 2025, the most in a decade. Fifty-nine S&P 500 companies appointed a new chief executive, an 11% year-over-year increase and tying with 2017 and 2020 for the most transitions since 2010. Only mid-cap companies saw a decline in turnover, from 47 in 2024 to 39 in 2025.

S&P 1500 CEO TRANSITIONS, LAST TWO YEARS, 2024–2025 COMPARISON



The number of CEO transitions in technology, media and telecommunications nearly doubled, from 18 in 2024 to 33 in 2025 — the most in more than a decade — while the healthcare and financial services sectors saw more modest increases of 21% and 15%, respectively.

TRANSITIONS AND TURNOVER BY INDUSTRY 2025

	Number of S&P 1500 transitions	Share of total 2025 transitions	Number of CEOs currently active on S&P 1500	Turnover
Consumer	31	18%	268	12%
Financial services	31	18%	376	8%
Healthcare	23	14%	167	14%
Industrial	50	30%	460	11%
Tech, media, telecom	33	20%	236	14%

More companies look inside for their new CEO

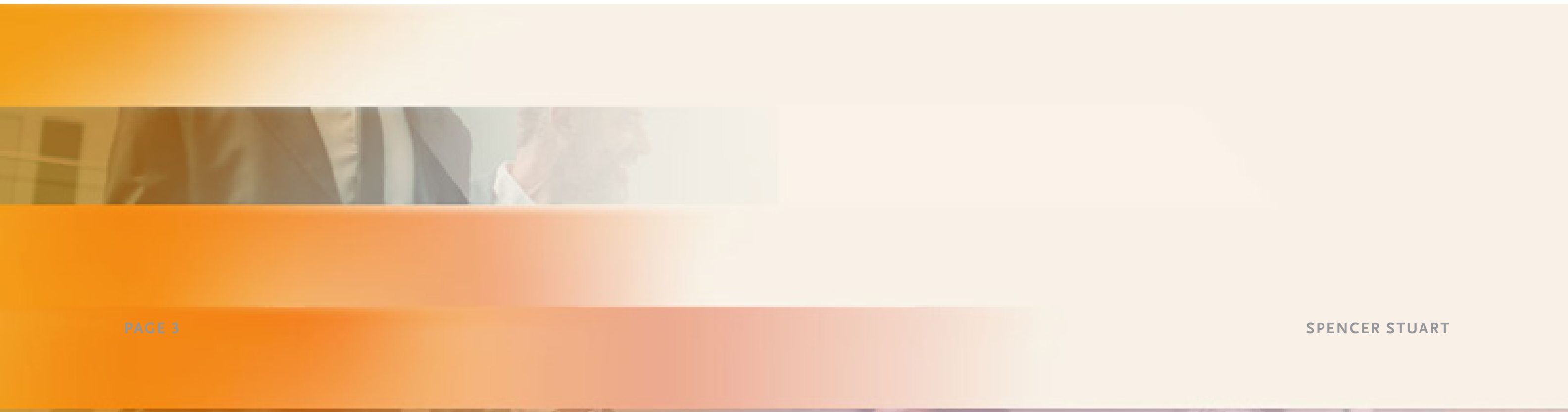
The share of externally hired CEOs fell slightly to 40% in 2025 from the historically high level of 43% in 2024. Half of small-cap companies and 41% of mid-caps hired outsiders as CEO, compared to just over one-quarter of large-cap companies. Large-cap companies have historically made more insider appointments than smaller companies, as they can more easily leverage a divisional president or similar management structure to train well-rounded P&L leaders.

INSIDER/OUTSIDER SPLIT FOR S&P 500, S&P MIDCAP 400 AND S&P SMALLCAP 600

	S&P 500		MidCap 400		SmallCap 600	
	Insider	Outsider	Insider	Outsider	Insider	Outsider
2025	73%	27%	59%	41%	50%	50%

We also see variance across industries, with companies in the financial services, consumer and industrial sectors appointing inside candidates at higher rates than the S&P 1500 average, while healthcare companies were much more likely to look outside the company for a new CEO.

Fifteen percent of new technology, media and telecommunications CEOs were serving on the company's board when they were tapped as CEO. Overall, 19 new CEOs were appointed from their company's board, the most since 2020, suggesting that some companies are not ready for succession. Board directors are categorized as outsiders because they rarely have as deep an operational understanding of the business as a sitting executive would.



INTERNAL/EXTERNAL BREAKDOWN BY INDUSTRY

	Insider appointments	Outsider appointments	Experienced CEO appointments
Consumer	65%	35%	16%
Financial services	77%	23%	10%
Healthcare	30%	70%	26%
Industrial	64%	36%	10%
Tech, media, telecom	55%	45%	24%
S&P 1500	**60%**	**40%**	**16%**

How are internal and external CEO candidates defined?

Internal successors are internally promoted CEOs, former company C-suite executives/CEOs and "insider-outsiders," two-step appointments who were recruited from outside the company and promoted into the CEO role within 18 months.

External successors are externally recruited CEOs and include those appointed from the company's board of directors.

More boards making a bet on first-time CEOs

Reversing a multiyear trend toward CEOs with prior public-company experience, 2025 saw an increase in first-time CEOs; 84% of newly appointed S&P 1500 CEOs in 2025 were serving in their first enterprise CEO role. The share of first-timers increased across indexes, but the rise was most prominent among mid-cap companies, increasing to 89% from 76% in 2024.

Ninety percent of incoming industrial and financial services CEOs were first-timers. In contrast, roughly one in four new healthcare and technology CEOs had prior public company CEO experience.

60%

S&P 1500 internal appointments 2025

57%

S&P 1500 internal appointments 2024

INCOMING CEOs EXPERIENCE AND AGE BY INDUSTRY

	% first-time CEOs	CEOs with prior experience	Average age of incoming CEOs
Consumer	84%	16%	52.6
Financial services	90%	10%	52.4
Healthcare	74%	26%	56.0
Industrial	90%	10%	54.0
Tech, media, telecom	76%	24%	57.4
S&P 1500	**84%**	**16%**	**54.4**

Experienced CEOs are often valued for their proven skills in navigating regulatory complexities, market dynamics and investor expectations, and some boards view an experienced CEO as a safer bet, given the scrutiny on them today. Our analysis has found that the best candidate is situation-dependent: a CEO with prior experience may be the best option for turning around a poor-performing company or one rocked by scandal, while a talented first-time CEO is more likely to deliver higher performance over time.

This year, we took a deeper look at the pool of first-time CEOs. Of the 140 first-timers, four had served as interim CEO before being appointed to the role permanently. Nineteen had served as CEO of a private equity portfolio company. The majority, 116, had no enterprise CEO experience at all. Of those, just over one-third served on a company board, either an external board or their own company's board.

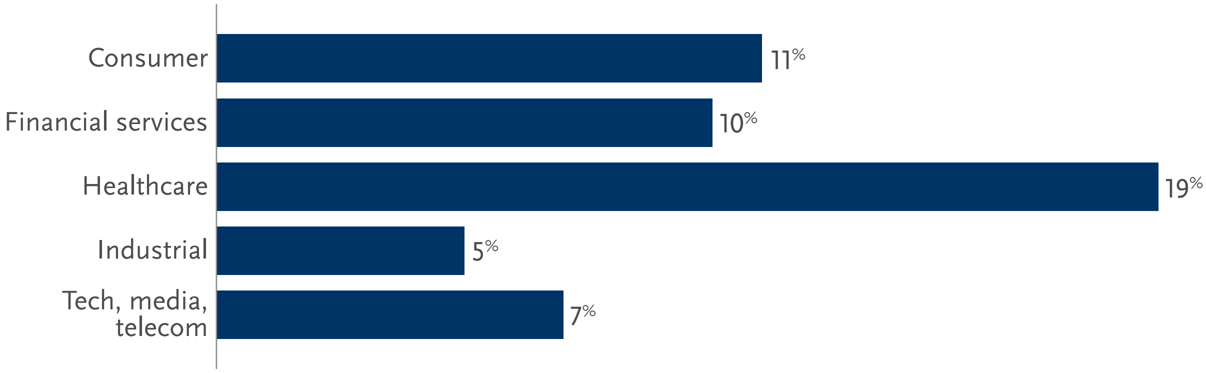
Related to the rise in first-time CEOs, new CEOs in 2025 were younger on average than in 2024, 54.4 years versus 55.8. Notably, the share of incoming CEOs aged 60 and above fell to 18%, after hovering close to 30% for the past two years. This pattern is largely consistent across indexes and industries; the average age of CEOs is lower in the consumer and financial services sectors, industries with high percentages of first-time CEOs. Small-cap companies have the highest percentage of experienced CEOs (20%) and the most incoming CEOs over the age of 60 (30%).

Fewer women named CEO

Only 9% of the newly appointed S&P 1500 CEOs in 2025 are women, down from 15% in 2024. Looking across indexes, mid-cap companies had the largest percentage of new female CEOs, 11%, followed by large-caps (10%) and small-caps (8%). These appointments bring the percentage of active women CEOs on the S&P 1500 to 9%.

Among industries, 19% of new healthcare CEOs are women, the most of any sector. Only 5% of newly appointed industrial company CEOs are women but, in 2024, women made up 22% of new industrial CEO appointments.

S&P 1500 WOMEN CEOs BY INDUSTRY



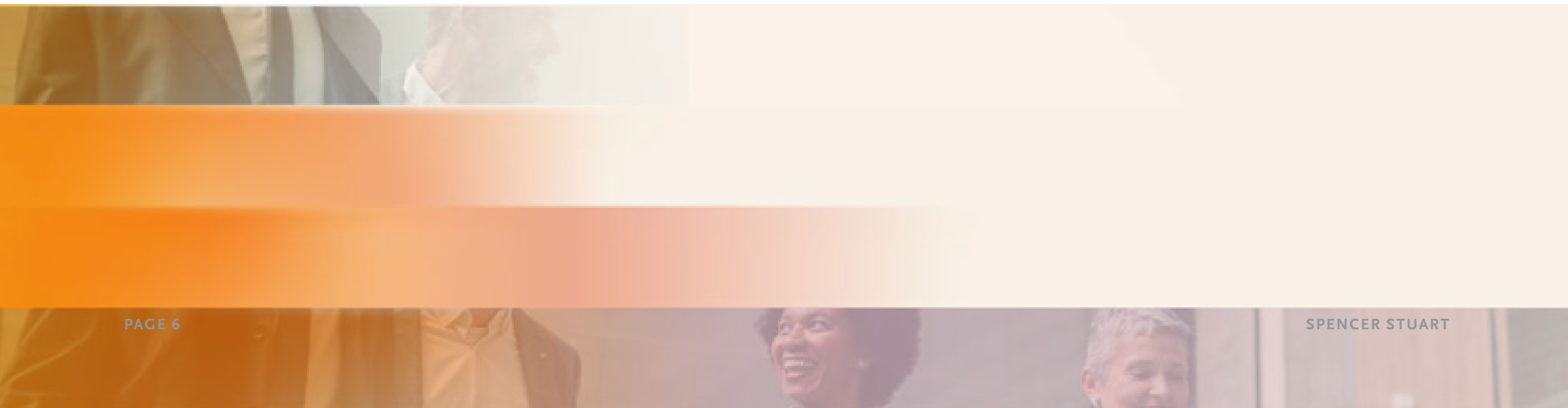
More chief operating officers promoted to CEO

COOs/presidents continue to account for the largest share of S&P 1500 CEO appointments, 48%, versus 40% in 2024. The majority of large-cap CEOs followed the path from COO to CEO. The COO/president role varies across companies, but succession candidates often are named COO as a “finishing” role to gain additional enterprise and stakeholder exposure.

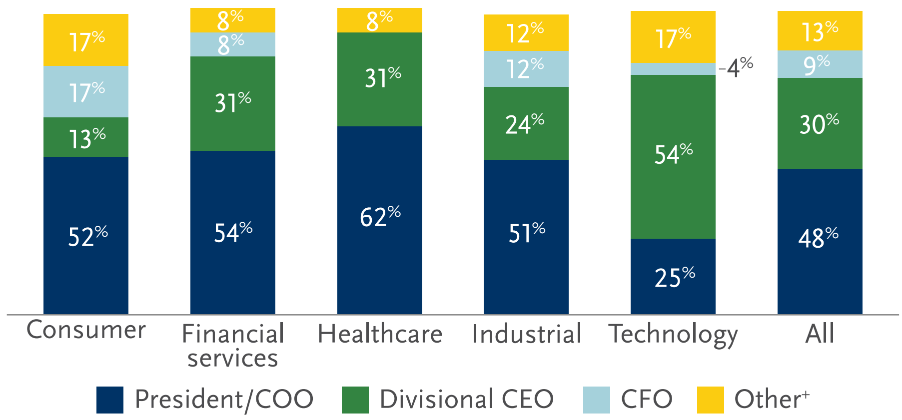
Another 30% of newly appointed CEOs were promoted divisional CEOs, just shy of 2024’s historic high of 35%. Divisional CEO appointments varied widely across industries, from 54% among technology company CEOs to just 13% of consumer CEOs. Divisional CEO roles provide leaders the opportunity to “walk the walk,” with broad P&L and business oversight.

Nine percent of new S&P 1500 CEOs came through the CFO role, a decline from 16% in 2024, which was a particularly strong year for CFOs. Mid-cap companies appointed the most CEOs with a CFO background (16%), and large-caps the least (7%). Seventeen percent of consumer companies but no healthcare companies appointed a CFO as CEO. CFOs are steeped in the company’s strategy and financials, understand investors’ perspectives and often are skilled at communicating with shareholders.

In line with boards’ preference for more experienced candidates in recent years, we have seen a sharp decline in their willingness to look outside the C-suite for CEOs since 2021, when one in five new CEOs came from the second layer of management or below. No first-time CEO appointment in 2025 was a “leapfrog” leader.



LAST-MILE BACKGROUNDS*



*Figures may not add up to 100% due to rounding
+"Other" includes other C-suite leaders and board members

Departing CEOs are younger and leaving sooner

The average tenure of departing CEOs declined from 9.2 years in 2024 to 8.5 years, the lowest since 2019 (8.1 years). Average tenure has been trending down after peaking at 10.3 years in 2021. Thirty-seven percent of departing CEOs left within the first five years of their tenure, and another 37% of CEOs departed by their 10th year.

The decline in tenure is particularly pronounced in the S&P 500; 45% of S&P 500 CEOs left by the five-year mark compared with 29% of small-cap CEOs and 34% of mid-cap CEOs. As our research has shown, successful CEOs embrace reinvention around Year 3, which is an important inflection point when we see a significant divergence between high and low performers.

Looking across industries, technology and financial services CEOs had the longest tenure at departure, 11.3 years and 10.3 years, respectively. Since 2023, the consumer sector has had the shortest average CEO tenure among industries, all seven years or less.

Departing S&P 1500 CEOs were 61.8 years old on average, more than a half year younger than in 2024. Mid- and small-cap CEOs tend to leave at younger ages, 60.2 and 61.8, respectively, while the average age of departing S&P 500 CEOs has trended up over the past several years, reaching 62.9 years in 2025. The financial services sector had the highest share of CEOs departing in their 70s (18%), while half of consumer CEOs left before they turned 60.

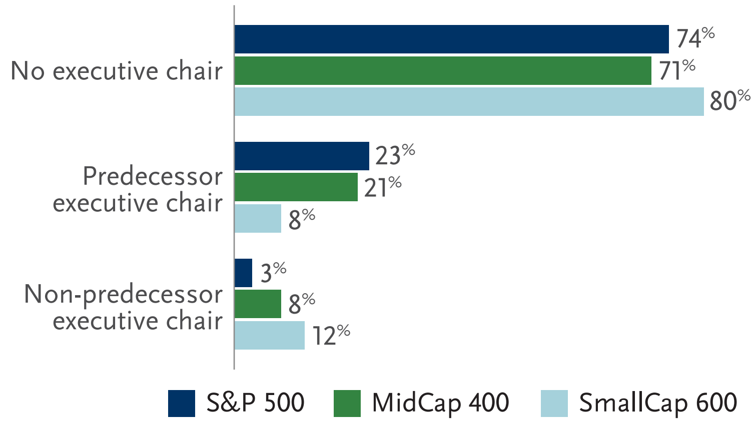
Fewer than 10% of new CEOs also named chair

The share of S&P 1500 CEOs who also became board chair at appointment declined steadily between 2010 and 2022, as more boards named an independent chair or executive chair as part of the transition. Since 2022, we began seeing small upticks in the practice. In 2025, 8% of newly appointed CEOs also became chair, compared with 6% in 2024. Small-cap company CEOs are more likely to be named chair upon appointment (14%).

We're also seeing a reversal of the trend in recent years of appointing an executive chair alongside a new CEO. Just one-quarter of S&P 1500 boards appointed an executive chair — either the outgoing CEO (17%) or another executive (8%) — alongside a new CEO. Just two years ago, 42% of new CEOs began their tenure with a newly appointed executive chair, most often the outgoing CEO (30%). Boards sometimes turn to an executive chair to provide continuity during a transition as well as strategic insight and hands-on onboarding support to the new CEO, especially a first-time CEO. While this is a common transition path, our research suggests that the executive chair role should be used carefully.

Incoming CEOs of small-cap companies are least likely to have an executive chair. Across industries, an executive chair was most common among financial services companies (57% of transitions), while in the consumer sector, only two outgoing CEOs were named executive chair.

EXECUTIVE CHAIR STATUS BY INDEX



Making the most of the CEO moment

Every CEO transition is a defining moment — marked by intense visibility, real risk and deep personal significance for leaders and boards alike. With the stakes rising, boards and outgoing CEOs must work together to ensure a smooth transition and ensure new CEOs learn fast, adapt quickly and focus on the critical levers that drive early impact. Here is our advice:

- Boards today are more willing to act when they see warning signs of poor performance, but they can avoid being caught flatfooted by aligning on a holistic performance dashboard that includes more than outcome measures, regularly evaluating CEO performance and maintaining a robust CEO succession plan. Most importantly, boards must be willing to move quickly when performance concerns arise, whether to replace the CEO or to intervene and recommit to the plan.
- When the time for transition comes, boards should have both viable internal candidate options and an understanding of the external talent market. This requires robust succession planning and leadership development, taking into account multiple future succession scenarios and the related characteristics and capabilities needed in the next CEO. When they build a relationship of transparency and trust, directors and CEOs can work most effectively together to turn high-stakes moments of transition into lasting impact for the business.
- For their part, incoming CEOs should go into the job clear-eyed about the outcomes they are responsible to achieve and the conditions for success. Once in the role, CEOs should quickly make the talent, strategic and organizational moves that will serve as the foundation for achieving these outcomes. All this is easier said than done, given all that's on a new CEO's plate.
- Selecting the CEO is one of the board's most important responsibilities, but its job is not done once a successor is named. The best boards shift their mindset from selection to support, overseeing a new CEO's transition to help put them on firm footing as they navigate their first year.

Methodology

Research is based on the publicly available data as of December 31, 2025. Updates are regularly made to our database based on transitions announced after that date.

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About Spencer Stuart

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About Spencer Stuart's Board & CEO Practice

Drawing on our deep understanding of the challenges facing boards and CEOs, along with our groundbreaking research on CEO and board performance, our consultants help boards, CEOs and CHROs navigate the high-stakes leadership decisions that make a critical difference for the future of their teams and organizations.