

# SpencerStuart

## Leading CEOs: A Statistical Snapshot of S&P 500 Leaders

February 2006

For the past nine years, Spencer Stuart has conducted research on the developmental background and professional experience of the CEOs of leading companies in the U.S. This year our research was conducted among CEOs of S&P 500 companies.

This annual research allows us to compare the career paths of today's CEOs with those of yesteryear and to determine the areas in which there has been the most change. It reveals emerging trends among these leaders and draws a more detailed image as to what sort of experience is required of today's company leader — and what makes today's CEOs.

Did you know:

- > The percentage of new CEOs over age 50 has increased from 64% to 69% over the past year.
- > 62% of all S&P 500 CEOs have earned an advanced degree beyond their undergraduate degree (this includes MBAs, other master degrees, PhDs, etc.).
- > Since 2000, the percentage of top 100 CEOs who followed one functional path (general management) throughout their career has decreased from 25% to 8%.

Interesting differences among CEOs in various industry sectors and regions in the U.S. are also uncovered.

The links below will take you to specific elements of the research as contained in our PDF.

Our study includes:

### **General Analysis**

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### **Regional Analysis**

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[S&P 500 CEO profile data](#)

[S&P 500 CEO career company tracking data](#)

[S&P 500 CEO career function tracking data](#)

[S&P 500 CEO international and military experience data](#)

[S&P 500 CEO turnover data for 2004](#)

[S&P 500 CEO turnover data for 2005](#)

**Printing instructions:** These documents should be printed to 8.5 x 14 (U.S. Legal) paper.

Research was conducted by Kelley Allen for Spencer Stuart, and based on the S&P 500 ranking as of April 15, 2005. The backgrounds of 502 CEOs were researched for this study (two companies in the study were led by co-CEOs).

## Sources

Marquis Who's Who in America, 1980-1981

The Corporate Yellow Book

50,000 Leading U.S. Corporations-Business Trends, 1980

Standard & Poor's Register of Corporations, Directors & Executives, 1980

QuestNT (Spencer Stuart's proprietary database)

Corporate web sites and press releases

Company proxies

Company press releases

OneSource.com

Hoovers.com

University registrars were phoned to verify degree information when necessary

Companies were contacted to request/verify biographical information when necessary

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## GENERAL ANALYSIS

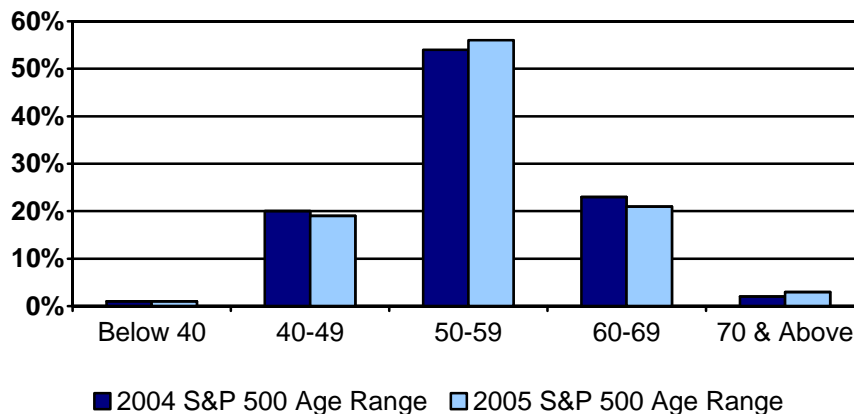
### Age

This year, there seems to be a slight shift in the distribution of CEOs – the percentage of CEOs in the 50 to 59 age range increased from 54% to 56% over the past year. Similarly, the percentages of CEOs 49 or younger and 60 or older each decreased by one point since last year.

#### Current Age Ranges

Range (years)	'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
Below 40	--	1%	1%	1%	1%
40-49	11%	14%	15%	16%	19%
50-59	58%	60%	61%	58%	56%
60-69	29%	23%	21%	22%	21%
70 & above	2%	2%	3%	3%	3%

Range (years)	'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
Below 40	--	1%	1%	1%	1%
40-49	11%	17%	17%	18%	32%
50-59	58%	62%	63%	51%	46%
60-69	29%	17%	16%	24%	19%
70 & above	2%	3%	3%	6%	2%



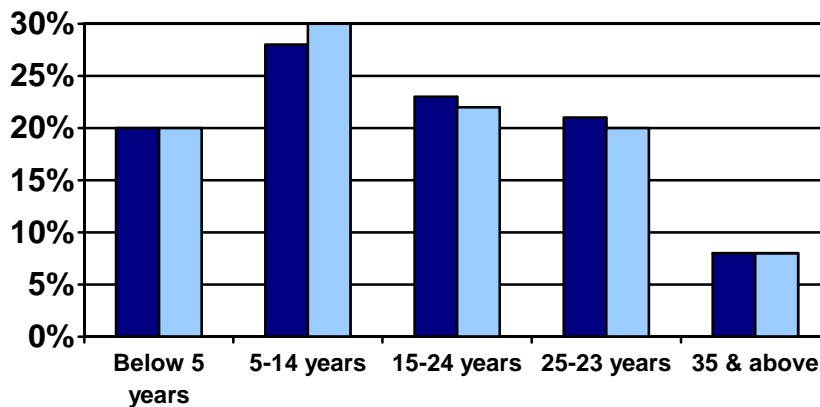
## Company Tenure

Over the past 25 years, the number of CEOs in the top 100 companies studied who have been with their company 25 years or longer has decreased from 64% to 28%, 36 points.

### Current CEO Company Tenure Ranges

Range (years)	'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
below 5	15%	17%	18%	19%	20%
5-14	29%	27%	27%	28%	30%
15-24	20%	22%	23%	22%	22%
25-34	25%	23%	23%	22%	20%
35 & above	11%	11%	9%	9%	8%

Range (years)	'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
below 5	15%	20%	20%	21%	22%
5-14	29%	26%	26%	30%	40%
15-24	20%	24%	24%	22%	21%
25-34	25%	20%	23%	19%	13%
35 & above	11%	10%	7%	8%	4%



- 2004 S&P 500 CEO Company Tenure Range
- 2005 S&P 500 CEO Company Tenure Range

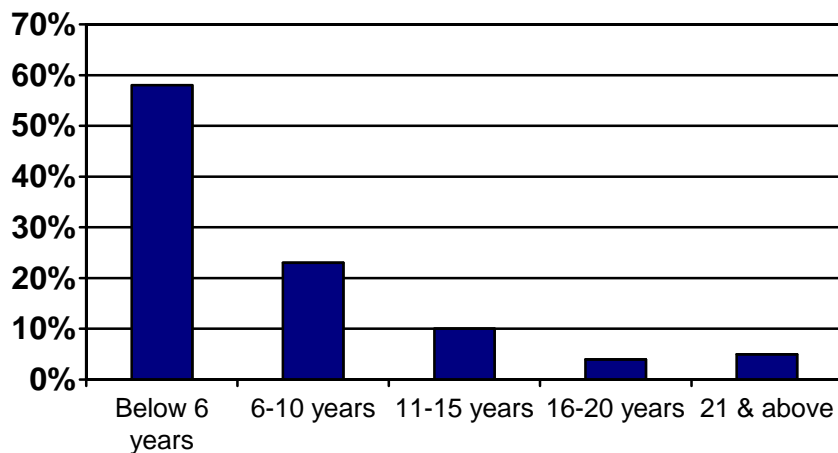
## Tenure as CEO

At the time of this year's research, 21% of all S&P 500 CEOs had been in their current position for one year or less, up from 19% last year, but down from 26% four years ago. In the 1-100 group, 6% of CEOs had been in their role 21 years or longer, compared with 4% last year and five years ago.

### Current Tenure as CEO Ranges

Range (years)	'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
Less than 6	60%	62%	63%	60%	58%
6-10	20%	21%	21%	23%	23%
11-15	12%	10%	9%	9%	10%
16-20	2%	2%	2%	3%	4%
21 or more	6%	5%	5%	5%	5%

Range (years)	'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
Less than 6	60%	64%	64%	53%	52%
6-10	20%	21%	22%	30%	21%
11-15	12%	8%	8%	8%	15%
16-20	2%	2%	3%	5%	7%
21 or more	6%	5%	3%	4%	5%



■ 2005 S&P 500 Tenure as CEO Range

## Educational Background

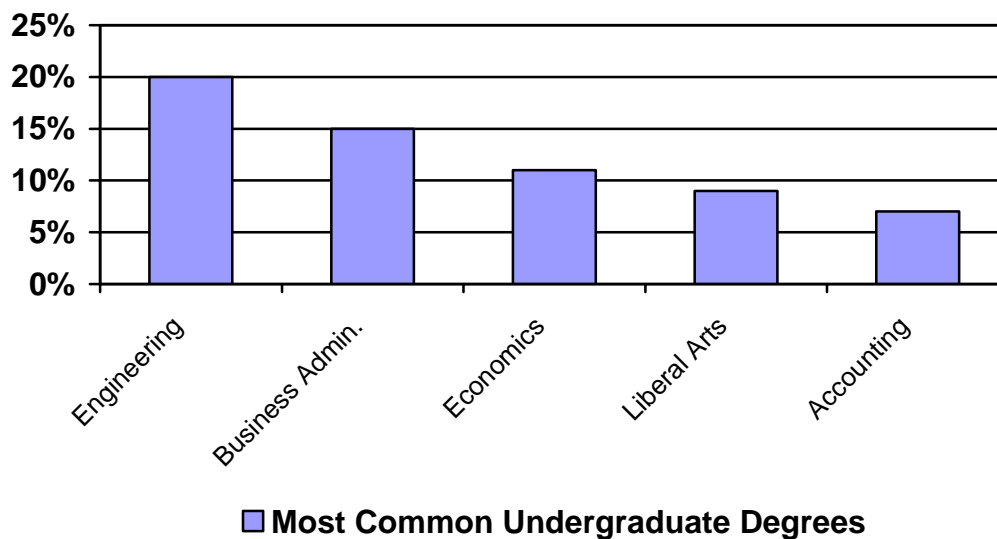
According to our research, the percentage of S&P 500 CEOs who earned an undergraduate degree remains unchanged from last year's high of 97%.

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
99%	98%	97%	97%	97%

### Most Common Undergraduate Degrees Received

Degree	'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
Engineering	22%	19%	20%	19%	20%
Business Administration	21%	16%	16%	17%	15%
Liberal Arts	8%	9%	11%	10%	9%
Economics	9%	11%	10%	10%	11%
Accounting	3%	6%	7%	7%	7%

Degree	'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
Engineering	22%	16%	21%	16%	26%
Business Administration	21%	12%	15%	19%	9%
Liberal Arts	8%	10%	14%	8%	4%
Economics	9%	14%	8%	10%	12%
Accounting	3%	9%	7%	9%	6%



For the second year in a row, the University of Wisconsin joins Harvard as the most common undergraduate university attended by S&P 500 CEOs. Prior to 2004, Harvard alone was the most common school attended.

<b>University</b>	<b>'05 1-100</b>	<b>'05 1-200</b>	<b>'05 1-300</b>	<b>'05 1-400</b>	<b>'05 1-500</b>
Harvard	3%	4%	3%	3%	3%
Princeton	1%	1%	2%	2%	2%
Stanford	3%	4%	2%	3%	2%
U. of Texas	2%	1%	2%	2%	2%
U. of Wisconsin	2%	3%	2%	3%	3%
Yale	3%	3%	2%	2%	2%

<b>University</b>	<b>'05 1-100</b>	<b>'05 101-200</b>	<b>'05 201-300</b>	<b>'05 301-400</b>	<b>'05 401-500</b>
Harvard	3%	4%	2%	3%	3%
Princeton	1%	1%	3%	2%	3%
Stanford	3%	4%	--	3%	--
U. of Texas	2%	--	3%	3%	1%
U. of Wisconsin	2%	3%	1%	4%	4%
Yale	3%	3%	--	1%	1%

*Most Common Undergraduate Universities (by S&P 500 category)*

<b>S&amp;P 500 Group</b>	<b>Most Common University</b>
1-100	Harvard, Stanford, Yale, U. of North Carolina - 3% each
101-200	Harvard, Stanford – 4% each
201-300	Rutgers – 4%
301-400	U. of Wisconsin – 4%
401-500	U. of Wisconsin – 4%

The percentage of S&P 500 CEOs who received their undergraduate degrees from an Ivy League school has been in the 10% to 11% range for the past six years.

*Percentage of CEOs with Undergraduate Degrees Who Received Their Undergraduate Degree from an Ivy League School (Harvard, Columbia, Yale, Brown, University of Pennsylvania, Dartmouth, Princeton and Cornell)*

<b>'05 1-100</b>	<b>'05 1-200</b>	<b>'05 1-300</b>	<b>'05 1-400</b>	<b>'05 1-500</b>
9%	10%	10%	10%	10%

<b>'05 1-100</b>	<b>'05 101-200</b>	<b>'05 201-300</b>	<b>'05 301-400</b>	<b>'05 401-500</b>
9%	12%	8%	9%	12%

The percentage of top 100 CEOs who earned an M.B.A. decreased from 37% in 2003 to 36% in 2004, and to 35% this year. The percentage of all S&P 500 CEOs who have an M.B.A. has increased from 37% to 39% over the past two years.

*CEOs Who Have Received an M.B.A.*

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
35%	40%	41%	40%	39%

'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
35%	44%	45%	36%	35%

62% of all S&P 500 CEOs have earned some type of advanced degree (M.B.A., master's, Law degree, doctorate, etc.). In 2005, of all CEOs who earned a non-M.B.A. advanced degree, 42% earned a law degree, compared with 37% in 2004, 39% in 2002, and 31% in 2000. 11% of all S&P 500 CEOs have earned a law degree, unchanged since 2001.

*CEOs Who have Received at Least One Advanced Degree other than an M.B.A.*

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
31%	26%	26%	26%	27%

'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
31%	20%	27%	27%	31%

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## Military Experience

The percentage of S&P 500 CEOs who have military experience remains unchanged from last year, at 9%. This is a seven-point decrease from the 16% figure from five years ago.

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
13%	12%	12%	11%	9%

'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
13%	10%	13%	9%	2%

## International Work Experience (clearly noted in biographical information)

Information available in published CEO biographies indicates that S&P 100 CEOs are more likely to have international experience than the rest of their S&P 500 counterparts. This has held true for the past seven years (since data was trackable). The percentage of S&P 500 CEOs whose bios specifically noted international experience is 38%, up from 33% last year.

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
45%	40%	38%	37%	38%

'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
45%	35%	35%	34%	39%

## Career Path Observations

The number of leading CEOs who work for only one company throughout their career continues to decline. Within the S&P 500 21% of CEOs have been with their current company for their entire career, compared with 23% in 2004, 24% in 2003, and 26% in 2002 and 2000. This percentage also continues to decrease for the top 100 group of CEOs: seven years ago, 40% of the top 100 CEOs had worked at the same company throughout their career; last year, only 30% could say that they had been company-loyal; today, only 28%.

### *CEOs Who Have Stayed at the Same Company their Entire Career*

'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
28%	26%	24%	22%	21%

'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
28%	23%	21%	18%	13%

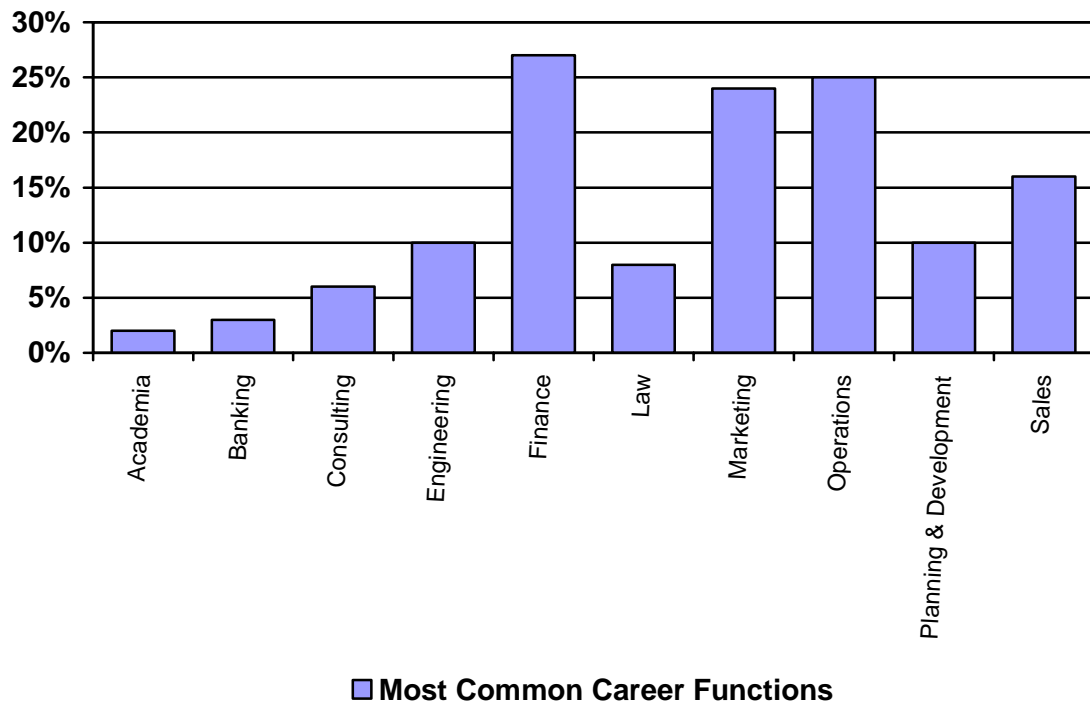
S&P 500 CEOs who followed one functional path throughout their career measured 12%. This figure remains unchanged from last year, but is down 10 points from five years ago. A more drastic change, the leading 100 CEOs who have followed one functional path throughout their career has decreased from 25% to 8% since 2000. The three most commonly held functions by S&P 500 CEOs are finance, operations and marketing. Finance continues to be the most common among leading CEOs since 1997.

**CEOs Who Have Worked within the Following Functions in Any Stage of their Career Path\***

<b>Function</b>	<b>'04 1-100</b>	<b>'04 101-200</b>	<b>'04 201-300</b>	<b>'04 301-400</b>	<b>'04 401-500</b>
Academia	5%	2%	0%	3%	1%
Banking/Inv. Banking	6%	6%	2%	1%	1%
Consulting	9%	6%	5%	3%	5%
Engineering	13%	12%	7%	4%	14%
Finance	24%	25%	31%	29%	23%
Law	5%	8%	12%	10%	6%
Marketing	24%	16%	25%	22%	32%
Operations	29%	22%	28%	20%	21%
Planning & Development	14%	7%	12%	5%	6%
Sales	15%	13%	14%	21%	22%

<b>Function</b>	<b>'04 1-100</b>	<b>'04 1-200</b>	<b>'04 1-300</b>	<b>'04 1-400</b>	<b>'04 1-500</b>
Academia	5%	4%	2%	2%	2%
Banking/Inv. Banking	6%	6%	5%	4%	3%
Consulting	9%	8%	7%	6%	6%
Engineering	13%	13%	11%	9%	10%
Finance	24%	25%	27%	27%	26%
Law	5%	7%	8%	9%	8%
Marketing	24%	20%	22%	22%	24%
Operations	29%	26%	26%	25%	24%
Planning & Development	14%	11%	11%	9%	9%
Sales	15%	14%	14%	16%	17%

*\* Percentages do not add up to 100% due to CEOs who worked in more than one function in this list or who did not work in any function in this list during his/her career.*



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## REGIONAL ANALYSIS

### Median Age

All regional median ages are in line with the overall S&P 500 median figure of 56 years.

#### *Median Age by Region*

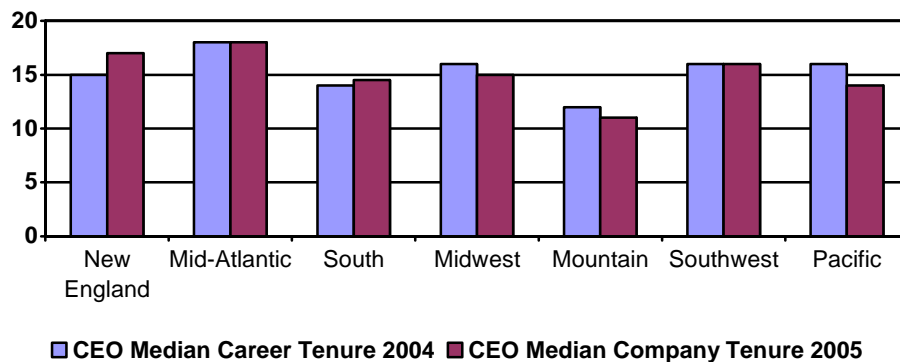
S&P 500 Group	New England	Mid-Atlantic	South	Midwest	Mountain	Southwest	Pacific
1-100	56 years	57 years	59 years	56 years	56 years	58 years	57 years
101-200	53	56	54	56	57	46	57
201-300	57	56	55	55	60	52	55
301-400	60	58	58	54	45	58	58
401-500	50	52	61	55	49	54	53
<b>500 Average</b>	55	56	56	55	52	54	56
<b>500 Median</b>	56	56	56	55	56	55	56

### Median Company Tenure

CEOs of Mountain-based companies continue to have the shortest median company tenure, at 11 years.

#### *Median CEO Company Tenure by Region*

S&P 500 Group	New England	Mid-Atlantic	South	Midwest	Mountain	Southwest	Pacific
1-100	30 years	15 years	16 years	21 years	4 years	12 years	19 years
101-200	16	19	11.5	17	20	12	23
201-300	6	16	19	13	35	13.5	24.5
301-400	26	12	11.5	15.5	7	18.5	12
401-500	11	16	15	10	11	16	12
<b>500 Average</b>	17	18	17	18	14	16	16
<b>500 Median</b>	17	18	14.5	15	11	16	14



## Median Tenure as CEO

CEOs of companies based in the Pacific region continue to have the longest position tenures, at 7.5 years. This is notably higher than the S&P 500 median of 5 years.

### Median CEO Position Tenure by Region

S&P 500 Group	New England	Mid-Atlantic	South	Midwest	Mountain	Southwest	Pacific
1-100	5 years	5 years	4 years	4 years	4 years	5 years	7 years
101-200	4	5	5	4.5	3	2	14
201-300	5	5.5	5	5	4	2	5
301-400	9	4.5	7	6	3	6	6
401-500	5.5	5	7	4	9.5	5	9
<b>500 Average</b>	7	7	7	6	6	6	10
<b>500 Median</b>	5	5	5	5	4	3.5	7.5

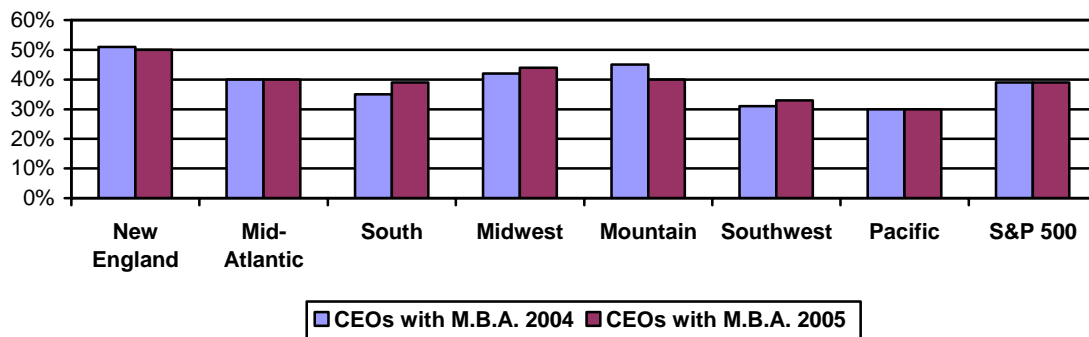
## Educational Background

### CEOs by region who have earned an M.B.A

Like last year, CEOs of Pacific-based companies are least likely to have earned an M.B.A. Also like last year, CEOs of companies in New England are most likely to have earned an M.B.A.

### CEOs by Region Who Have Received an M.B.A.

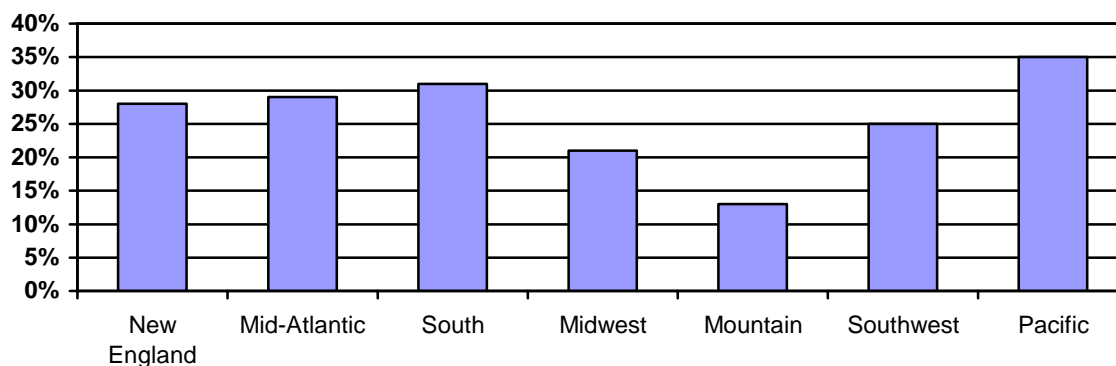
S&P 500 Group	New England	Mid-Atlantic	South	Midwest	Mountain	Southwest	Pacific
1-100	57%	28%	21%	48%	--	33%	33%
101-200	40%	62%	42%	43%	33%	13%	43%
201-300	80%	48%	43%	55%	100%	36%	17%
301-400	50%	36%	43%	41%	20%	25%	28%
401-500	39%	32%	43%	27%	60%	56%	29%
<b>Region Total</b>	50%	40%	39%	44%	40%	33%	30%



While CEOs of Pacific-based companies are least likely to have a bachelor degree or an M.B.A., they are most likely to have an advanced degree other than an M.B.A., with 35% having such a degree. This is significantly higher than the overall S&P 500 percentage of 27%, and down one percentage point from last year's Pacific figure of 36%.

*CEOs by Region who Received Advanced Degrees Other than an M.B.A.*

<b>S&amp;P 500 Group</b>	<b>New England</b>	<b>Mid-Atlantic</b>	<b>South</b>	<b>Midwest</b>	<b>Mountain</b>	<b>Southwest</b>	<b>Pacific</b>
1-100	29%	44%	29%	16%	--	22%	42%
101-200	--	19%	37%	13%	--	25%	21%
201-300	--	32%	26%	25%	--	21%	42%
301-400	67%	18%	36%	10%	20%	38%	39%
401-500	31%	18%	29%	60%	20%	22%	32%
<b>Region Total</b>	28%	29%	31%	21%	13%	25%	35%



**Military Experience**

CEOs of companies based in the Mid-Atlantic and South are more likely, this year, to have military experience. CEOs of Pacific companies remain least likely to have served in the military for the second year in a row

*Military Experience by Region*

<b>S&amp;P 500 Group</b>	<b>New England</b>	<b>Mid-Atlantic</b>	<b>South</b>	<b>Midwest</b>	<b>Mountain</b>	<b>Southwest</b>	<b>Pacific</b>
1-100	--	25%	7%	8%	--	22%	--
101-200	--	10%	21%	10%	--	--	7%
201-300	60%	8%	9%	20%	--	--	17%
301-400	--	14%	14%	7%	--	13%	6%
401-500	--	--	--	--	--	11%	3%
<b>Region Total</b>	8%	12%	12%	9%	--	8%	6%

## International Experience

For the fourth consecutive year, CEOs based in New England companies are most likely to have international experience, at 47%, which is much higher than the S&P 500 percentage of 38%.

### *International Experience by Region*

<b>S&amp;P 500 Group</b>	<b>New England</b>	<b>Mid-Atlantic</b>	<b>South</b>	<b>Midwest</b>	<b>Mountain</b>	<b>Southwest</b>	<b>Pacific</b>
1-100	43%	50%	29%	48%	100%	56%	33%
101-200	60%	43%	16%	50%	--	25%	21%
201-300	20%	36%	35%	25%	--	36%	58%
301-400	67%	36%	29%	31%	40%	25%	33%
401-500	46%	50%	43%	47%	20%	33%	28%
<b>Region Total</b>	47%	43%	29%	40%	27%	35%	33%

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## INDUSTRIAL ANALYSIS

### Age, Company and CEO Tenure

CEOs in the financial services, industrial and commercial machinery, and insurance carrier industries have the youngest median ages this year, at 53. This is notably lower than the median of 56 years for the S&P 500 as a whole. Like last year, CEOs of depository institutions are more likely to have long company tenures than CEOs in other industries.

CEOs of electric, gas and sanitary companies continue to have the shortest company tenures of leaders studied. There doesn't appear to be any sort of notable trend regarding position tenure, as the industries with CEOs having the longest and shortest median position tenures has changed year to year for the past few years.

#### *Age, Tenure with Company and Tenure as CEO by Industry*

Industry	Average Age	Median Age	Average Tenure with Company	Median Tenure with Company	Average Tenure as CEO	Median Tenure as CEO
Business Services	55 years	56 years	15 years	14 years	9 years	6 years
Chemicals	54	53.5	18	18.5	6	5
Communications	57	56.5	15	12.5	8	5
Depository Institutions	59	58	24	23	10	7
Elec., Gas & Sanitary	57	58	13	8	6	3
Electronic Components	55	55	15	13	8	6
Food Products	56	58	20	20.5	6	4
Financial Services	54	53	20	17	8	6
Ind., Commercial Machinery	54	53	17	17	6	5
Insurance Carriers	54	53	15	13	6	5
Measuring Instruments	54	55	15	13	6	4.5
Oil, Gas Extraction	58	57	19	19	9	6
Transportation Equipment	56	56	18	13	5	4

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## Educational Background

This year, CEOs of business services companies were least likely to have earned a bachelor degree. For the third consecutive year, CEOs of electric, gas and sanitary companies are most likely to have earned a non-M.B.A. advanced degree.

### *Educational Background by Industry*

<b>Industry</b>	<b>% CEOs with Bachelor Degree</b>	<b>Most Common Degree Rec'd in Group</b>	<b>% CEOs Who Received Most Common Degree</b>	<b>% CEOs with an M.B.A.</b>	<b>% CEOs with Other Advanced Degrees</b>
Business Services	92%	Bus. Admin./ Engineering	14% each	19%	22%
Chemicals	100%	Engineering	38%	46%	28%
Communications	100%	Engineering	19%	31%	19%
Depository Institutions	100%	Bus. Admin./ Economics	19% each	52%	26%
Elec., Gas & Sanitary	100%	Engineering	26%	34%	53%
Electronic Components	100%	Engineering	56%	30%	35%
Food Products	100%	Liberal Arts	29%	59%	12%
Financial Services	95%	Bus. Admin.	19%	62%	29%
Ind., Commercial Machinery	93%	Engineering	22%	41%	19%
Insurance Carriers	96%	Bus. Admin./ Economics	17% each	46%	17%
Measuring Instruments	100%	Engineering	24%	48%	24%
Oil, Gas Extraction	100%	Engineering	18%	35%	35%
Transportation Equipment	100%	Engineering	47%	35%	41%

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## Career Trends

For the second consecutive year, CEOs of transportation companies are most likely to have international experience, with 82% having non-U.S. experience.

Also for the second consecutive year, CEOs of depository institutions were most likely to have worked for the same company throughout their career.

### *Career Analysis*

<b>Industry</b>	<b>% CEOs with Military Experience</b>	<b>% CEOs with International Experience</b>	<b>% CEOs who worked at one company only throughout career</b>	<b>Most Common Function</b>
Business Services	5%	41%	8%	Marketing
Chemicals	8%	60%	30%	Marketing
Communications	13%	25%	25%	Operations
Depository Institutions	16%	10%	36%	Finance
Elec., Gas & Sanitary	16%	16%	8%	Finance
Electronic Components	3%	53%	13%	Marketing/ Operations
Food Products	24%	59%	12%	Marketing
Financial Services	10%	14%	14%	Finance
Ind., Commercial Machinery	4%	56%	26%	Operations
Insurance Carriers	8%	25%	13%	Finance
Measuring Instruments	8%	52%	12%	Marketing
Oil, Gas Extraction	6%	35%	12%	Operations
Transportation Equipment	18%	82%	24%	Finance

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## BOARD MEMBERSHIP ANALYSIS

### Number of Boards

This year, there are no CEOs in the S&P 500 who sit on five external boards, down from one CEO last year. For the second year, CEOs in the 401-500 group are least likely to sit on an external board.

#### *Number of External Boards per CEO Ranges*

# of Boards	'05 1-100	'05 1-200	'05 1-300	'05 1-400	'05 1-500
0	41%	43%	43%	42%	44%
1	37%	29%	28%	30%	29%
2	16%	21%	22%	20%	19%
3	5%	6%	6%	6%	6%
4	1%	2%	2%	2%	2%
5	--	--	--	--	--
Total who sit on 1+	59%	57%	57%	58%	56%

# of Boards	'05 1-100	'05 101-200	'05 201-300	'05 301-400	'05 401-500
0	41%	45%	42%	39%	53%
1	37%	21%	25%	38%	23%
2	16%	25%	24%	16%	14%
3	5%	7%	7%	5%	8%
4	1%	2%	2%	2%	2%
5	--	--	--	--	--
Total who sit on 1+	59%	55%	58%	61%	47%

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## CEO Turnover

### Turnover percentage

Based on the September 30, 2005, S&P 500 list, since January 1, 2005, 50 companies, or 10% of the S&P 500, have appointed a new CEO. In the first three quarters of 2004, there were 45 companies, or 9%, that appointed a new CEO.

Group	Number (Percentage)
Overall 500	50/500 (10%)
1-100	11/100 (11%)
101-200	10/100 (10%)
201-300	10/100 (10%)
301-400	12/100 (12%)
401-500	7/100 (7%)

To date this year, the lowest turnover in S&P 500 companies is in the last group of 100 companies.

### Internal vs. External Placement

Overall (of 50 new CEOs)	
Internal	30/50 (60%)
External	20/50 (40%)

The majority (60%) of appointed CEOs in the S&P 500 have been internal placements, compared to 67% at the end of last year's third quarter.

Placement by S&P 500 Group	1-100	101-200	201-300	301-400	401-500
Internal	5/11 (45%)	5/10 (50%)	6/10 (60%)	11/12 (92%)	3/7 (43%)
External	6/11 (55%)	5/10 (50%)	4/10 (40%)	1/12 (8%)	4/7 (57%)

### Reason for Leadership Change (as specifically stated in company press releases)

Reason for Turnover (of 50 new CEOs)	
Former CEO Stepped Down	27/50 (54%)
Former CEO Retired	12/50 (24%)
Resignation of former CEO	8/50 (16%)
Permanent CEO replaced Interim CEO	2/50 (4%)
Board forced former CEO out	1/50 (2%)
Former CEO passed away	0
Former CEO was in bad health	0

In 2004, retirement was the most common reason among S&P 500 companies for appointing a new CEO, with 53%, or 21 of 45, of the former Quarters 1, 2 and 3 CEOs having left for that reason.

Of the 50 new CEOs who have taken office since January 1, 2005, the most common reason, at 54%, for appointing a new CEO is that the former CEO stepped down.

<b>Reason for Turnover by Group</b>	<b>1-100</b>	<b>101-200</b>	<b>201-300</b>	<b>301-400</b>	<b>401-500</b>
Former CEO Retired	3/11 (27%)	2/10 (20%)	2/10 (20%)	2/12 (17%)	3/7 (43%)
Former CEO Stepped Down	5/11 (45%)	4/10 (40%)	6/10 (60%)	9/12 (75%)	3/7 (43%)
Resignation of former CEO	2/11 (18%)	3/10 (30%)	2/10 (20%)	0	1/7 (14%)
Board forced former CEO out	1/11 (9%)	0	0	0	0
Permanent CEO replaced Interim CEO	0	1/10 (10%)	0	1/12 (8%)	0
Former CEO was in bad health	0	0	0	0	0
Former CEO passed away	0	0	0	0	0

#### **Reason for Turnover by Average and Median Age**

<b>Reason for Turnover by Group</b>	<b>Median</b>	<b>Average</b>
Former CEO Retired	61	60.2
Former CEO Stepped Down	63	61.4
Resignation of former CEO	53	53.4
Board forced former CEO out	51	51

For the first three quarters of 2005, the CEOs who stepped down (many of whom are preparing for retirement and aiding in the management transition by remaining chairman or co-chairman) had the highest median and average ages.

