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# Compustat Execucomp: The Basics

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# Data Overview

- *Executive compensation data for US companies :*
  - salary, bonus, options and stock awards, non-equity incentive plans, pensions and other compensation items
  - detailed compensation data under the old reporting rules (pre 2006) for those researching *historical compensation trends*.
- Firms are identified with GVKEY -- Link to Compustat accounting and pricing data.
- Connect compensation to firm characteristics: profitability, accruals, leverage...
- CUSIP – allows to connect to other database such as 13F for ownership

# ExecuComp Datasets



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## Execucomp

For more about this dataset, see the [Dataset List](#) , [Manuals and Overviews](#) or [FAQs](#) .

<a href="#">Annual Compensation</a>	<a href="#">Director Compensation</a>	<a href="#">Pension Benefits</a>
<a href="#">Company Financial and Director Compensation for 2005 and prior</a>	<a href="#">Long Term Incentive Awards - 1992 Format</a>	<a href="#">Plan Based Awards</a>
<a href="#">Deferred Compensation</a>	<a href="#">Outstanding Equity Awards</a>	<a href="#">Stock Option Grants - 1992 Format</a>

Aggregate information  
on total value of options  
granted

Info at grant level: grant  
number, date, exercise price...

# Introduction

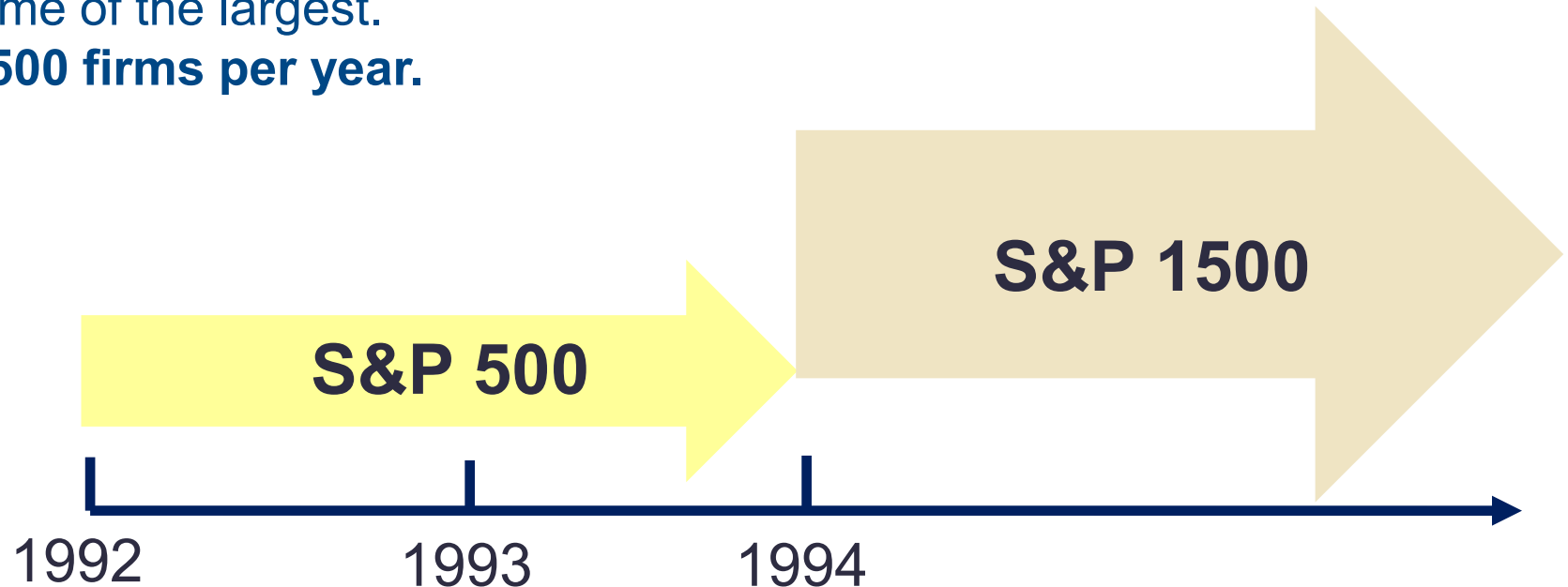
# What Companies are in ExecuComp?

In 1992-1993, the data was primarily comprised of the S&P 500.

1994 onward, began including the full S&P 1500.

Plus companies that were once part of the 1500 index are still trading, and some of the largest.

**2,500 firms per year.**



# How many Executives?

- Top five executive officers within a Company (some up to 9)
  - Collected directly from each company's annual proxy (DEF14A SEC form [www.sec.gov](http://www.sec.gov)). More than 29,600 executives
- Executive Identifier: EXECID – permanent id for each executive, it stays the same throughout her career.
- CO\_PER\_ROL is different id: for executive/company combination.

YEAR	TICKER	CO_PER_ROL	EXEC_LNAME	EXECID	SALARY	BONUS	OTHANN
2000	IBM	1220	Gerstner, Jr.	1549	2000	8000	96.4
2001	IBM	1220	Gerstner, Jr.	1549	2000	8000	82.888
2002	IBM	1220	Gerstner, Jr.	1549	2000	1500	70.465
2000	IBM	4816	Thomson	5800	793.75	1000	24.354
2001	IBM	4816	Thomson	5800	1000	1125	5.119

# Compensation pre- and post-2006

- In 2006 accounting standard changed to FAS 123R, causing some variables to be discontinued and others to appear.
- Main compensation item **TDC1 TOTAL compensation** has continuity.
- Under this new reporting regime:
  - Cost of all employee stock options and other equity-based comp. based on the estimated **fair value** of the awards.
  - Prior to this time, the burden was on the researcher to determine a fair value.
- The document Execucomp Data Definitions explains these and other variables in detail.



# Compensation pre- and post-2006

- Since 2006, Execucomp data is delivered in **6 main tables**, mapping the “original” tables in the annual proxy.
  - **AnnComp – Summary compensation data + other.**
  - PlanBasedAwards – Contains data on awarded options and stock grants during the filled fiscal year.
  - OutstandingAwards – Describes the outstanding stock options and unvested stock awards held by officers as of the end of fiscal year.
  - DeferredComp – Contains deferred compensation.  
Pension – Contains all details on pension benefits.
  - DirectorComp – Contains new details on the director compensation.
- Two additional tables from pre-FAS123 are provided:
  - Stgrttab – Contains details on Stock Options Grants Pre-FAS123.
  - Ltawdtab – Contains Long Term Incentive Plan Awards Pre-FAS123.

# Compustat ExecuComp Compensation:

- **Total Compensation Including Option Grant** Variable Name = TDC1

Total compensation for the individual year, comprised of the following: Salary, Bonus, Other Annual, Total Value of Restricted Stock Granted, Total Value of Stock Options Granted (using Black-Scholes), Long-Term Incentive Payouts, and All Other Total.

## Cash Compensation

- **Salary** Variable Name = SALARY

The dollar value of the base salary (cash and non-cash) earned by the named executive officer during the fiscal year.

- **Bonus** Variable Name = BONUS
- **Other Total** Variable Name = OTHCOMP

## Stock & Options Compensation

- **Total Value of Restricted Stock Granted** Variable Name = STOCK\_AWARDS
- **Total Value of Stock Options Granted** Variable Name = OPTION\_AWARDS

# Fiscal Year Information

- “Year” in Execucomp is based on fiscal year. Compustat defines a fiscal year based on the FYR value.
  - Compustat North America provides the variable FYR which represents the month on which the fiscal year ends (e.g. FYR = 3 means that fiscal year ends on March).
  - For a fiscal year ending in January through May (e.g. FYR = 1 through 5), then the fiscal year is one less than the year in which the fiscal year ends.

For example, for a fiscal year ending in Feb, 2002, the fiscal year assigned would be 2001. The same is true for a fiscal year ending as late as May 31, 2002, FYR2001.

# Tracking CEOs

- To identify the CEO at year  $t$ , use CEOANN -- which is a historic variable.

Annual Title	Annual CEO Flag	Date Became CE	Company ID Number	Executive ID number	Fiscal Ye
Executive Vice President of Medical Devices			1078	57727	2019
Executive VP & CFO			1209	45159	2019
Chairman, President & CEO	CEO	20140701	1209	46680	2019
Executive Vice President			1209	54880	2019
Executive VP, General Counsel & Secretary			1209	37237	2019
Chairman & CEO	CEO	20120626	1254	26079	2019
Senior VP & CFO			1254	42393	2019
President			1254	43821	2019

- Some discrepancies with the variable BECAMECEO -- when the executive became the CEO --. In these cases, there is valuable information in the variable COMMENT.
- If executives have positions in parent and subsidiary, total compensation reflects the combined total for all services.

# Identifying Board Members that are CEOs

- **EXECDIR = "TRUE"** indicates that the named executive officer served as director during the indicated fiscal year.
  - This does not necessarily indicate Chairmanship of the Board of Directors, and there is no ExecuComp variable that indicates this directly.
- The best way to get this information is to use either the TITLE or TITLEANN variable and search for the character strings "chairman" or "chmn."

# Reaching ExecuComp Wrds Support Materials

# how Execucomp Support looks like:

## Execucomp

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### Execucomp Support

[ExecuComp Company Names](#)

[» ExecuComp Table Descriptions](#)

[2006 Changes in Execucomp - FAS 123](#)

[» Input for BlackScholes Calculations](#)

[ExecuComp Data Definitions](#)

[» Modified Black-Scholes Option Valuation  
Methodology](#)

[» WRDS Overview of Compustat Execucomp](#)

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