



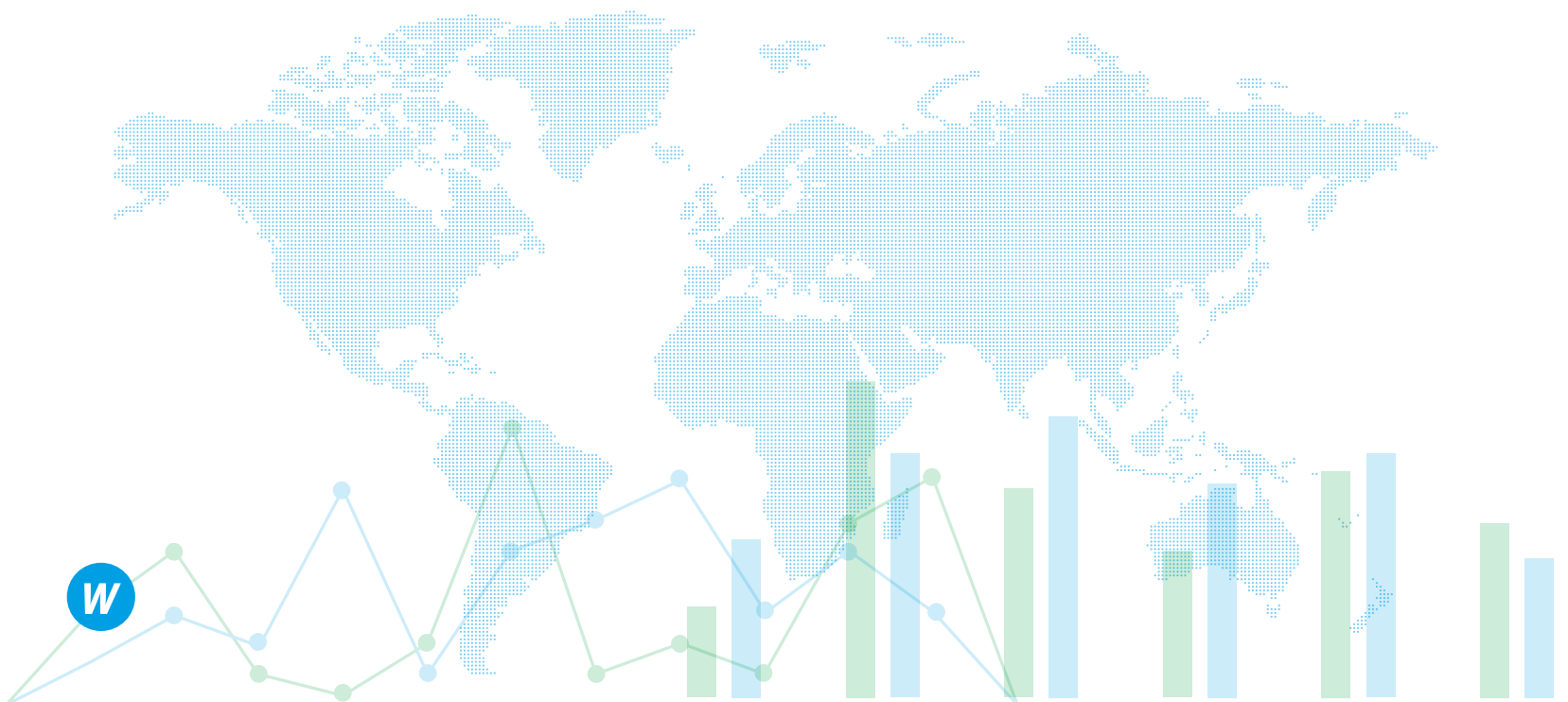
Salary Budget Survey 2020-2021

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47TH ANNUAL

EXECUTIVE REPORT & ANALYSIS

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WorldatWork is the leading nonprofit professional association in compensation and total rewards. We serve those who design and deliver total rewards programs to cultivate engaged, effective workforces that power thriving organizations. We accomplish this through education and certification; idea exchange; knowledge creation; information sharing; research; advocacy; and affiliation and networking. Founded in the United States in 1955, today WorldatWork serves total rewards professionals throughout the world working in organizations of all sizes and structures.

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INTRODUCTION: STRUCTURE OF THE SALARY BUDGET SURVEY

The “WorldatWork 2020-2021 Salary Budget Survey” consists of two components: this “Executive Report & Analysis” and the customizable “Online Reporting Tool.” The “Executive Report & Analysis” includes an executive summary and data highlights for the United States, Canada and 17 other countries. A list of definitions of terms in the survey are printed in this book. The list of participating organizations and a copy of the complete questionnaire are available in the “Online Reporting Tool.”

More detailed U.S. and Canadian results from the salary budget survey are available through the “Online Reporting Tool” for no additional charge, giving users the ability to customize reports by geographic region, industry, state and other ways that are relevant to organizations. Users may run an unlimited number of reports during the subscription period, as well as save or print the reports.

Get Started Now

Go to worldatwork.org/salarybudgetsurvey and log in with your eight-digit identification number and password. If you do not know your login information, you may:

- Click “Get” under “Password.”
- Look on the mailing panel of any WorldatWork catalog, periodical, invoice or receipt.
- Contact WorldatWork Customer Relationship Services by calling 877-951-9191 or 480-922-2020, or emailing customerrelations@worldatwork.org.

After you have logged in, select “My Profile,” then select the “2020-2021 Salary Budget Survey” subscription. After reviewing and accepting the terms and conditions, you will be redirected to the “Online Reporting Tool.”

- Choose the type(s) of data to be included in the report (e.g., salary budget increases, salary structure adjustments, promotions and/or variable pay).
- Choose one statistical method of calculation. Separate reports need to be run to compare various statistics (e.g., mean/average, median/50th percentile, 25th percentile or 75th percentile).
- Choose the layers that define the demographic slice of data (e.g., country, industry, number of employees, revenue).
- Select the regions, states, provinces and/or major metropolitan areas of interest.
- Click “Generate Report.”

If the report meets your needs, click “print to PDF” or “download to Excel” in the top right-hand corner to save or print. To look at different or additional data, repeat the steps as needed.

Though users have access to unlimited customized online reports, the “Online Reporting Tool” is subscription-based. Remember to run and download/print any reports that may be needed prior to the subscription’s expiration.

CONFIDENTIALITY STATEMENT

To ensure the anonymity and protection of participating organizations, WorldatWork does not publish or otherwise make available data points in which fewer than five survey participants responded. In addition, the data are not presented in a way, nor are they intended, to provide a competitive advantage for any participating organization.

Although WorldatWork believes participant responses to the survey are honest and complete, the data presented in this report are provided without warranty of any kind for accuracy, omission, completion or timeliness.

Except for the purposes intended by this publication, participants and purchasers of the salary budget survey may not reproduce, display, rent, lend, resell, commercially exploit, adapt or redistribute the data contained herein without the permission of WorldatWork.

The data presented in this report were collected in June 2020 for publication in August 2020, a two-month duration between data collection and publication.

METHODOLOGY

On May 27, 2020, all WorldatWork members were invited to participate in the “WorldatWork 2020-2021 Salary Budget Survey” through direct email, e-newsletters and the WorldatWork website. Members were asked to respond for the United States (U.S.), Canada and 17 other countries: Australia, Belgium, Brazil, China, France, Germany, India, Italy, Japan, Mexico, Netherlands, Russia, Singapore, Spain, Sweden, Switzerland and the United Kingdom (UK). Respondents were asked to respond for any of these countries in which they have operations. The survey officially closed on June 26, 2020. If an organization reported fewer than 10 employees in a specific country, the response for that country was removed from the data set. Also, duplicate submissions for the same country within the same organization were eliminated from the data set. The final data contain 4,754 responses, covering nearly 14 million employees worldwide. Each country was analyzed separately by statistical software, and a full list of organizations that responded to the survey can be found in the Online Reporting Tool.

Data for all countries are broken down by type of increase and employee category. Additional breakdowns are available for the United States and Canada. Because of small sample size, only high-level data are reported for countries outside the United States and Canada.

U.S. data are broken into four employment categories, with exemption status as defined by the Fair Labor Standards Act of 1938 (FLSA):

- Nonexempt hourly nonunion
- Nonexempt salaried
- Exempt salaried
- Officers/executives.

All non-U.S. data are broken into four employment categories:

- Nonmanagement hourly nonunion
- Nonmanagement salaried
- Management salaried
- Officers/executives.

Survey instructions and post-survey data cleaning and verification help ensure accurate recording of a “zero-percent” response versus a response that has been left blank. A response of zero percent to any given question was interpreted (and verified when possible) as a conscious decision on the part of the organization to not budget for an increase that typically was given. Survey instructions specifically ask respondents to leave a questionnaire item blank if the organization either does not have that plan item, or does not typically budget or pay out for that item based on the

plan. Thus, a zero-percent response reflects a decision to specifically not budget funds for the period in question. As a result of feedback from survey users, this report includes total salary budget increases by employee category with and without zero-percent responses for each country, as indicated in Figures 2 (page 20), C2 (page 51), and G2B (page 72-74).

Not all organizations provide every type of base pay increase, and not every organization reports data for every employee category. In findings for which a composite number of all types of increases or all employee categories are presented, the *n*'s equate to the total number of responses. This may include multiple responses from each respondent if the respondent is reporting for more than one type of increase or employee category.

The frequencies or response distributions listed in the report show the number of times or percent of times a value appears in a data set. Due to rounding, frequencies of data responses provided in this survey may not total 100 percent.

DEMOGRAPHICS

FIGURE A Total Number of Responses

	2018-2019	2019-2020	2020-2021
United States	1,908	1,919	1,702
Canada	444	483	458
United Kingdom	256	294	286
China	192	231	206
Germany	193	218	188
India	179	217	185
Australia	170	199	184
Mexico	159	195	181
France	157	203	174
Singapore	165	180	155
Brazil	126	146	145
Japan	139	172	141
Italy	125	139	133
Netherlands	134	148	132
Spain	125	153	131
Switzerland	85	119	103
Belgium	94	99	95
Russia	71	91	81
Sweden	81	92	74
Total	4,803	5,298	4,754

FIGURE B U.S. Responses, by Region

Central	585
Eastern	635
Southern	622
Western	544

Note: The combined responses in Figures B and C add to greater than the total U.S. and Canadian responses. Some participants answered for multiple regions or nationally; thus, their responses reflect multiple regions.

FIGURE C Canadian Responses, by Province

Ontario	306	New Brunswick	62
Quebec	186	Newfoundland	47
British Columbia	177	Prince Edward Island	30
Alberta	158	Northwest Territories	21
Manitoba	92	Yukon	15
Saskatchewan	85	Nunavut	11
Nova Scotia	79		

DEMOGRAPHICS

FIGURE D U.S. Responses, by State

California	529	Washington	340	Mississippi	242
Texas	504	Indiana	328	Nebraska	242
Illinois	446	Wisconsin	322	Idaho	220
New York	436	Maryland	317	Maine	213
Florida	423	South Carolina	311	New Hampshire	212
Pennsylvania	403	Missouri	300	New Mexico	212
Georgia	403	Alabama	298	West Virginia	205
Ohio	382	Oregon	281	Rhode Island	204
North Carolina	371	Louisiana	279	Delaware	199
Virginia	366	Connecticut	277	South Dakota	193
New Jersey	358	Utah	269	North Dakota	184
Colorado	355	Kentucky	265	Montana	184
Massachusetts	353	Oklahoma	264	Vermont	176
Minnesota	346	Kansas	261	Hawaii	175
Arizona	343	Iowa	255	Wyoming	164
Michigan	342	Arkansas	253	Alaska	150
Tennessee	341	Nevada	242		

FIGURE E U.S. Responses, by Major Metropolitan Area

Washington, D.C.	317	Denver	131	Portland	87
Chicago	209	Seattle	116	Cincinnati	87
Houston	154	San Diego	115	San Jose	86
Dallas	152	Phoenix	114	St. Louis	80
Los Angeles	152	Minneapolis	107	Baltimore	77
New York	152	Philadelphia	101	Cleveland	68
Atlanta	147	Miami	98	Detroit	67
San Francisco	142	Tampa	96		
Boston	134	Pittsburgh	89		

DEMOGRAPHICS

FIGURE F Canadian Responses, by Major Metropolitan Area

Toronto	176	Ottawa	69
Montreal	119	Quebec	57
Vancouver	113	Winnipeg	46
Calgary	95	Hamilton	39
Edmonton	72		

FIGURE G U.S. Responses, by Organization Size

1-499	211	12%
500-2,499	474	28%
2,500-9,999	527	31%
10,000-19,999	214	13%
20,000+	276	16%

FIGURE H Canadian Responses, by Organization Size

1-499	28	6%
500-2,499	90	20%
2,500-9,999	158	35%
10,000-19,999	79	17%
20,000+	103	22%

FIGURE I U.S. Responses, by 2019 Revenue

Up to \$30 million	96	6%
More than \$30 million to \$100 million	76	5%
More than \$100 million to \$300 million	169	10%
More than \$300 million to \$600 million	159	10%
More than \$600 million to \$1 billion	156	9%
More than \$1 billion to \$3 billion	409	25%
More than \$3 billion to \$5 billion	185	11%
More than \$5 billion to \$8 billion	114	7%
More than \$8 billion to \$10 billion	58	4%
More than \$10 billion	234	14%

FIGURE J Canadian Responses, by 2019 Revenue (Reported in U.S. Dollars)

Up to \$30 million	14	3%
More than \$30 million to \$100 million	13	3%
More than \$100 million to \$300 million	27	6%
More than \$300 million to \$600 million	37	8%
More than \$600 million to \$1 billion	32	7%
More than \$1 billion to \$3 billion	122	27%
More than \$3 billion to \$5 billion	64	14%
More than \$5 billion to \$8 billion	41	9%
More than \$8 billion to \$10 billion	20	4%
More than \$10 billion	77	17%

INDUSTRY DEMOGRAPHICS

Industry data for both the United States and Canada are based on participant self-reported codes using the North American Industry Classification System (NAICS). The two- and three-digit codes selected for use with the 2020-2021 data set are presented in Figures K and L for the United States and Canada, respectively. Full definitions for these industry categories can be found at the NAICS website (www.census.gov/eos/www/naics). All major industry codes (two-digit) were used regardless of total sample size, and some industry subsets (three-digit) were broken out because of sufficiently large sample size.

The one exception to the NAICS codes is Telecommunications (code 517), which resides as a subset of Information (code 51) in the NAICS. Because of the large sample size (n=22 United States and n=8 Canada) and for ease of reader use, Telecommunications was placed into its own category for the 2020-2021 report.

The main industry categories report data for all respondents within the category, regardless of whether they are reported in a subcategory. Therefore, the sum of all subcategories may not equal the main industry category's sample size.

FIGURE K U.S. Responses, by Industry Classifications

NAICS	Industry	Frequency	Percent of Respondents
72	Accommodation and Food Services	23	1.4%
56	Administrative and Support and Waste Management and Remediation Services	23	1.4%
11	Agriculture, Forestry, Fishing and Hunting	13	0.8%
71	Arts, Entertainment, and Recreation	8	0.5%
23	Construction	28	1.6%
61	Educational Services	61	3.6%
52	Finance and Insurance	253	14.9%
521	Monetary Authorities - Central Bank	42	2.5%
522	Credit Intermediation and Related Activities	39	2.3%
525	Funds, Trusts and Other Financial Vehicles	15	0.9%
524	Insurance Carriers and Related Activities	124	7.3%
523	Securities, Commodity Contracts and Other Financial Investments	33	1.9%
62	Health Care and Social Assistance	144	8.5%
622	Hospitals	99	5.8%
621, 623, 624	Ambulatory Health Care, Nursing and Residential Care and Social Assistance	45	2.6%
51	Information	70	4.1%
518	Data Processing, Hosting and Related Services	15	0.9%
511	Publishing Industries (except Internet)	13	0.8%
512, 515, 519	Motion Picture, Sound Recording, Broadcasting (except Internet) and Other Information Services	42	2.5%
55	Management of Companies and Enterprises	12	0.7%
31	Manufacturing	383	22.5%
325	Chemical Manufacturing	69	4.1%
334	Computer and Electronic Product Manufacturing	40	2.4%
335	Electrical Equipment, Appliance and Component Manufacturing	22	1.3%
311, 312	Food, Beverage and Tobacco Product Manufacturing	40	2.4%

(Continued on page 12)

INDUSTRY DEMOGRAPHICS

FIGURE K U.S. Responses, by Industry Classifications (continued)

NAICS	Industry	Frequency	Percent of Respondents
333	Machinery Manufacturing	24	1.4%
331, 332	Metal Manufacturing	21	1.2%
322, 323	Paper Manufacturing, Printing and Related Support Activities	22	1.3%
326	Plastics and Rubber Products Manufacturing	10	0.6%
313, 314, 315, 316	Textile Mills, Apparel, Leather and Allied Product Manufacturing	0	0.0%
336	Transportation Equipment Manufacturing	33	1.9%
321, 324, 327, 337, 339	Wood, Petroleum, Furniture and Nonmetallic Mineral Products and Other Miscellaneous Manufacturing	99	5.8%
21	Mining, Quarrying, and Oil and Gas Extraction	39	2.3%
54	Professional, Scientific, and Technical Services (includes Consulting)	224	13.2%
92	Public Administration	85	5.0%
53	Real Estate, Rental and Leasing	32	1.9%
44	Retail Trade	80	4.7%
517	Telecommunications	22	1.3%
48	Transportation and Warehousing	46	2.7%
481	Air Transportation	7	0.4%
482-493	All Other Transportation	39	2.3%
22	Utilities	92	5.4%
42	Wholesale Trade	38	2.2%
81	Other Services (except Public Administration)	26	1.5%
813	Religious, Grantmaking, Civic, Professional and Similar Organizations	21	1.2%

FIGURE L Canadian Responses, by Industry Classifications

NAICS	Industry	Frequency	Percent of Respondents
72	Accommodation and Food Services	8	1.7%
56	Administrative and Support and Waste Management and Remediation Services	6	1.3%
11	Agriculture, Forestry, Fishing and Hunting	0	0.0%
71	Arts, Entertainment & Recreation	0	0.0%
23	Construction	10	2.2%
61	Educational Services	6	1.3%
52	Finance and Insurance	48	10.5%
522	Credit Intermediation and Related Activities	8	1.7%

(Continued on page 13)

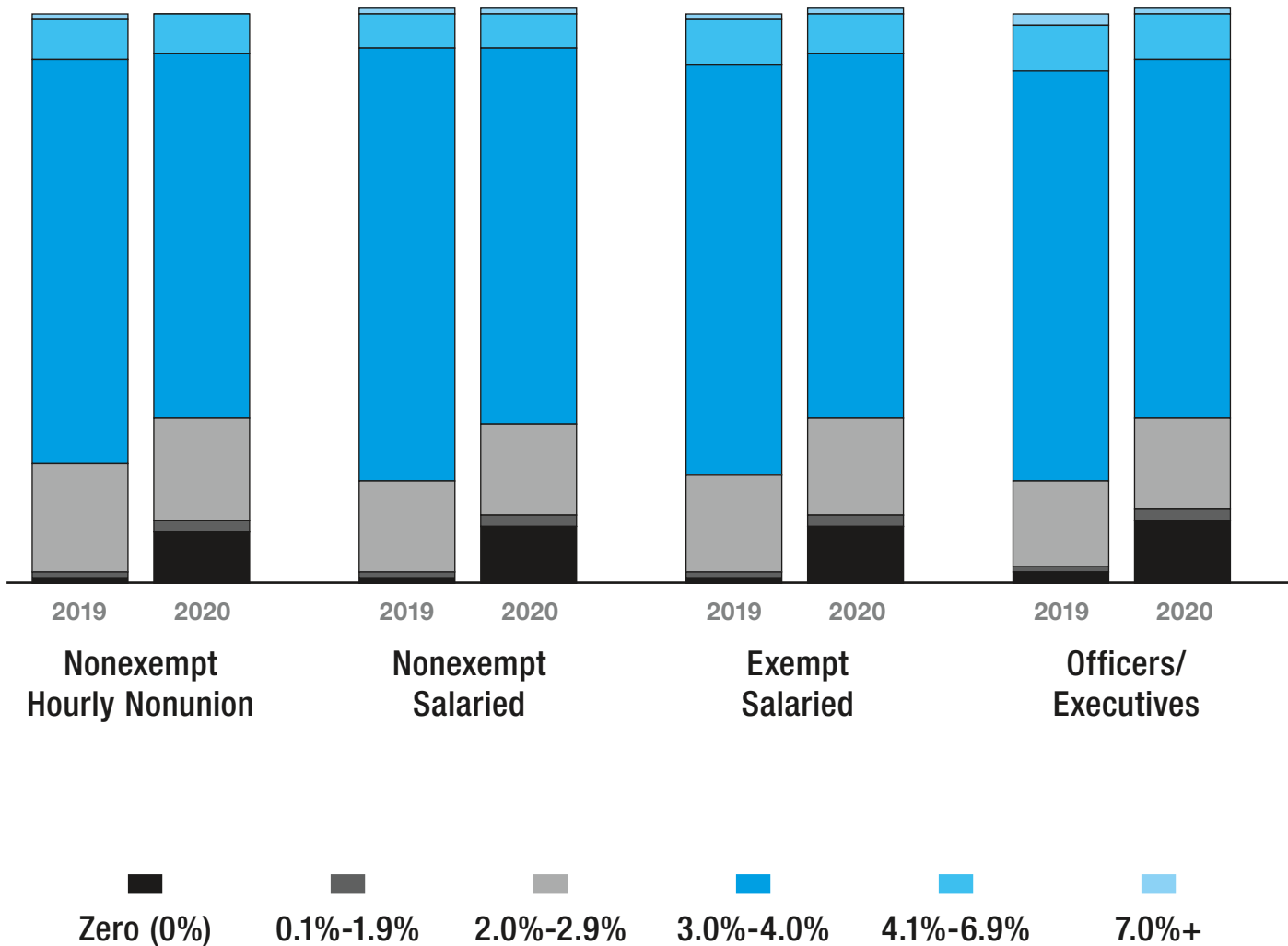
INDUSTRY DEMOGRAPHICS

FIGURE L Canadian Responses, by Industry Classifications (continued)

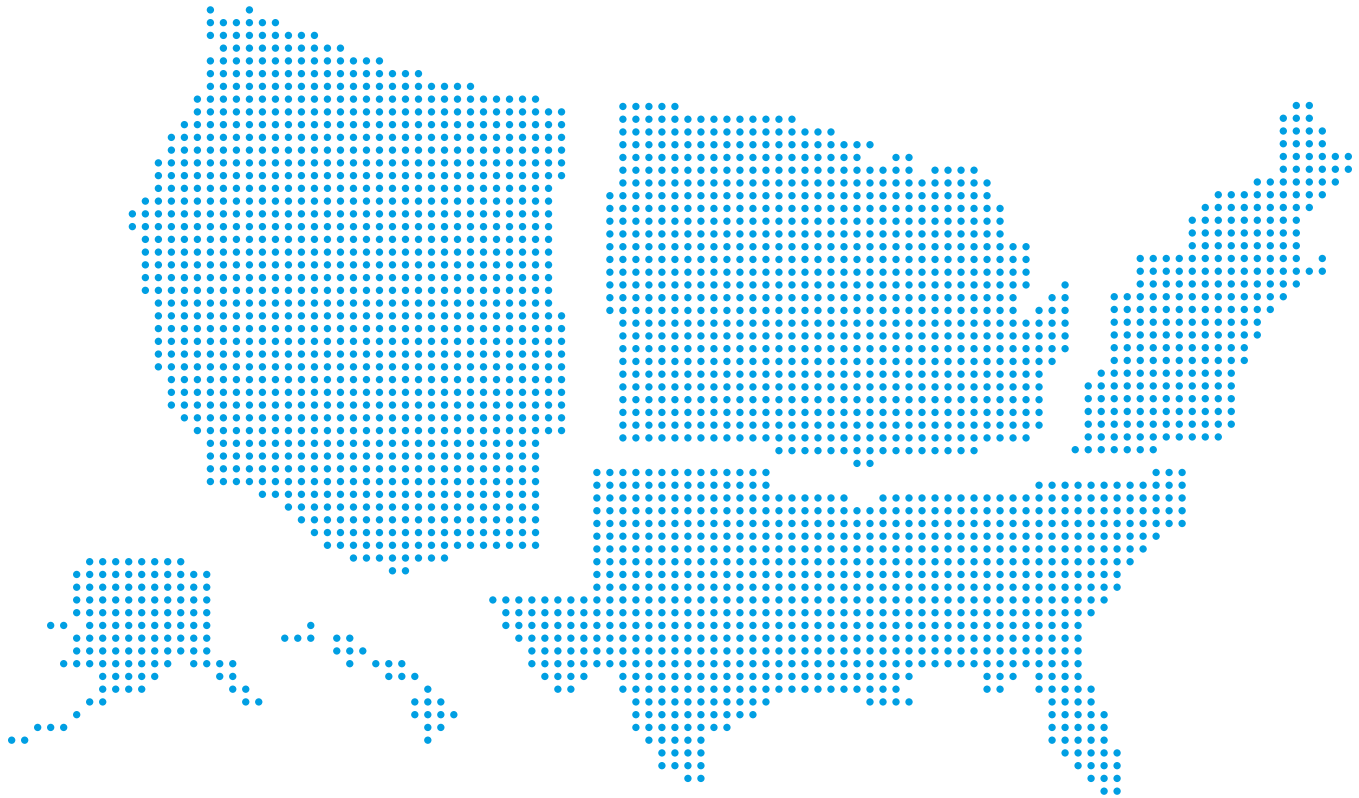
NAICS	Industry	Frequency	Percent of Respondents
524	Insurance Carriers and Related Activities	24	5.2%
525	Funds, Trusts and Other Financial Vehicles	0	0.0%
523	Securities, Commodity Contracts and Other Financial Investments	8	1.7%
62	Health Care and Social Assistance	6	1.3%
622	Hospitals	0	0.0%
621, 623, 624	Ambulatory Health Care, Nursing and Residential Care and Social Assistance	0	0.0%
51	Information	36	7.9%
511	Publishing Industries (except Internet)	20	4.4%
512, 515, 519	Motion Picture, Sound Recording, Broadcasting (except Internet) and Other Information Services	5	1.1%
55	Management of Companies and Enterprises	5	1.1%
31	Manufacturing	147	32.1%
325	Chemical Manufacturing	28	6.1%
334	Computer and Electronic Product Manufacturing	16	3.5%
335	Electrical Equipment, Appliance and Component Manufacturing	7	1.5%
311, 312	Food, Beverage and Tobacco Product Manufacturing	9	2.0%
333	Machinery Manufacturing	11	2.0%
331, 332	Metal Manufacturing	9	2.0%
322, 323	Paper Manufacturing, Printing and Related Support Activities	7	1.5%
313, 314, 315, 316	Textile, Apparel, Leather & Allied Product Manufacturing	0	0.0%
336	Transportation Equipment Manufacturing	12	2.6%
321, 324, 326, 327, 337, 339	Wood, Petroleum, Furniture and Nonmetallic Mineral Products & Other Miscellaneous Manufacturing	44	9.6%
21	Mining, Quarrying, and Oil and Gas Extraction	12	2.6%
54	Professional, Scientific, and Technical Services (includes Consulting)	63	13.8%
92	Public Administration	0	0.0%
53	Real Estate, Rental and Leasing	15	3.3%
44	Retail Trade	22	4.8%
517	Telecommunications	8	1.7%
48	Transportation and Warehousing	18	3.9%
481	Air Transportation	0	0.0%
482-493	All Other Transportation	16	3.5%
22	Utilities	11	2.5%
42	Wholesale Trade	14	3.1%
81	Other Services (except Public Administration)	0	0.0%
813	Religious, Grantmaking, Civic, Professional and Similar Organizations	0	0.0%

U.S. Distribution of Total Salary Budget Increase Responses

Actual 2019 vs. Actual 2020



United States



For the first time since 2009, the “WorldatWork 2020-2021 Salary Budget Survey” respondents reported a decline in total salary budget increase rates in the United States, from a 3.2% average (median: 3.0%) increase in 2019 to a 2.9% average (median: 3.0%) increase in 2020.

(See Figure 1 on page 20.)

EXECUTIVE SUMMARY

The national total salary budget increase average fell this year — dropping to 2.9%

This decline represents a pronounced departure from the anticipated increase to 3.3% average (median: 3.0%) projected for 2020 a year ago. Respondents project that salary budget increases for 2021 will remain steady, matching this year and holding at 2.9% (median: 3.0%).

Sudden Drop in Salary Increase Budgets Driven by the Impact of Global Pandemic

The national total salary budget increase average fell this year — dropping to 2.9% — notably sudden and somewhat expected due to economic uncertainty. The average total salary budget increase grew slowly since an all-time low of 2.2% average in 2009 following the 2008 recession, then held steady at 3.0% from 2014-2017 and then steadily rose again for the past two years, hitting 3.2% in 2019. Reduction in 2020 budgets for all types of salary increases were reported, with merit budgets experiencing the greatest decrease, down 0.3 percentage point to 2.6%. Merit budgets are projected to slightly rise to 2.7% in 2021.

Heightened pressure on employers to ensure pay fairness is translating to an increased focus on pay equity analyses and remediation, although the percentage of organizations making adjustments to remediate pay equity issues holds steady compared to last year. Sixty-five percent of responding organizations expect to make pay adjustments in 2020 to remediate pay equity issues, and about the same number are anticipating pay equity adjustments in 2021. (See Figure 12 page 28.)

Contributing to the decline in average salary increase budgets is the significant increase in the percentage of organizations indicating a 0% salary budget increase for 2020 — nearly 10 times higher than 2019. Meanwhile, respondents typically budgeting in the 3.0%-4.0% mean range declined by 7 to 10 percentage points. (See Figure 4 on page 21.)

The main purpose of the WorldatWork Salary Budget Survey is to ask participating organizations about budgeted or projected salary increases budgets, not what was actually paid. This year due to the global pandemic and quickly changing environmental and economic factors, many organizations may have already prepared their budgets and made payouts, put them on hold or canceled plans to pay out increases in 2020. To better illustrate this, in addition to showing the diluted average salary budget increases (that includes zero increase figures), we have also provided the undiluted average (average for organizations actually budgeting and giving increases). (See Figure 2 on page 20.) In October 2020, a follow-up survey to the “WorldatWork 2020-2021 Salary

This year due to the global pandemic and quickly changing environmental and economic factors, many organizations may have already prepared their budgets and made payouts, put them on hold or canceled plans to pay out increases in 2020.

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Budget Survey” will be conducted to offer insight if budgets have changed during these uncertain times.

Economic Factors

Economic factors influence salary budgets and reward practices, and the shock of the coronavirus pandemic and shutdown measures to contain it have disrupted the macroeconomic environment. The U.S. rate of inflation drastically dropped for the 12-month period ending June 2020 compared to the same period in 2019. The Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) reported inflation at 0.6%, 1.0 percentage point lower than the 12-month period ending May 2019 (1.6%).

The unemployment rate for the 16-years-and-older labor force saw a spike this year, rising to 11.1% for the 12-month period ending in June 2020, according to the BLS. (Figure 28 on page 40 puts a 15-year history of salary budget trends into context with the CPI and unemployment.)

All but one of the industries surveyed share a median salary budget increase of 3.0%, although industries report means ranging from 1.5% to 3.4% for 2020.

Industry Data

All but one of the industries surveyed share a median salary budget increase of 3.0%, although industries report means ranging from 1.5% to 3.4% for 2020. (See Figure 9 on page 26.)

Educational Services has seen the lowest increase for several years with a mean of just 1.5% (median: 1.0%) for 2020, a 1.2 percentage point decrease from 2019.

While the majority of industry shifts are downward, Public Administration and Accommodation and Food Services were least impacted this year, showing no change from 2019. Although stable this year, Public Administration is projected to have one of the largest falls in 2021, with the sector anticipating an average salary budget increase of just 2.0%, a 1.2 percentage point decrease from 2020. The Accommodation and Food Services industry, while also reporting unchanged budgets this year, is expecting a decline in salary increase budgets for 2021, down to 2.8%, a 0.2 percentage point drop.

Looking ahead to 2021, industry expectations continue to vary from the national average projection, although medians for most industries have been, and remain, at 3.0%. Interestingly, average projections relative to 2020 vary among industries, with some anticipating increases, some decreases and some no change.

State Data

In 2020, all states reported a drop from 2019 and the majority of states average a similar 2.7% to 2.9% salary budget increase. Medians remained at 3.0% for all states. In 2021, all states project that average increases to salary budgets will rise slightly, with average increases ranging from 2.9% to 3.1% (median: 3.0%). (See Figure 7 on pages 24.)

HIGHEST SALARY INCREASE BUDGET AMONG INDUSTRIES

CONSTRUCTION
3.4%

LOWEST SALARY INCREASE BUDGET AMONG INDUSTRIES

EDUCATIONAL SERVICES
1.5%

LARGEST AVERAGE SALARY INCREASE BUDGETS IN 2020

Denver
Seattle

EXECUTIVE SUMMARY

Major Metropolitan Area Data

Some variance is reported for average salary budget increases among major U.S. metropolitan areas, while medians continue to be firm at 3.0%. Pittsburgh saw the largest decline, falling half a percentage point to 2.6% in 2020, but projects a strong rebound to 2.9% in 2021. Seattle saw the largest average salary increase budget in 2020 at 3.1% while Denver continues to rise to the top of this list with a 3.0% salary budget increase, which is still down from 2019.

All metropolitan areas' average projections for 2021 are the same or improved relative to 2020 and range from 2.8% to 3.2%. However, median data still balance 2021 projections at 3.0% for all surveyed major metropolitan areas. (See Figure 8 on page 25.)

AVERAGE MERIT INCREASE BUDGETS

2020
2.6%

PROJECTED
2021
2.7%

AVERAGE SALARY STRUCTURE ADJUSTMENT

2020
1.9%

PROJECTED
2021
1.9%

Organization Size Data

Consistent with previous years' data, salary budget increases continue to be greater in smaller organizations. This occurrence is more pronounced when size is based on the number of employees rather than revenue. The range of average salary budget increases for 2020 based on number of employees is 2.6% to 3.5% and on revenue, 2.7% to 3.4%. The medians for both number of employees and revenue are 3.0%. (See Figures 10 and 11 on page 27.)

Merit Budgets

Merit increases are once again the most prevalent raises, as can be seen in Figure 1 (on page 20). Average merit increase budgets for 2020 were reported at 2.6% (median: 3.0%), representing a 0.3 percentage point drop from 2019. Respondents project a 0.1 percentage point increase in 2021 to 2.7% average (median: 3.0%).

Pay for Performance

Even though the size of all salary increase budgets, including merit budgets, declined in 2020, organizations continue to differentiate base pay-related awards. Organizations averaged a 2.7% merit increase for middle

Even though the size of all salary increase budgets, including merit budgets, declined in 2020, organizations continue to differentiate base pay-related awards. Organizations averaged a 2.7% merit increase for middle performers (median: 2.9%) and a 4.0% payout for high performers (median: 4.0%) in 2019.

performers (median: 2.9%) and a 4.0% payout for high performers (median: 4.0%) in 2019. (See Figure 19 on page 33.) Low performers averaged a 0.8% increase in the same year, although the median payout was 0.5%. Average performance-based pay increases for 2020 are expected to fall to 2.5% for middle performers (median: 2.8%) and 3.6% (median: 4.0%) for high performers.

If 2020 merit increase projections are realized, the differentiation between middle and high performers in 2020 will be 44%, a considerable drop from 48% in 2019, which was slightly higher than 2018. (See Figure 20 on page 34.)

Salary Structure Adjustments

The reported 2020 overall average salary structure adjustment is 1.9% (median: 2.0%), representing a significant shift downward from 2.2% in 2019 and a decline from the projected

EXECUTIVE SUMMARY

2.2% (median: 2.0%). This decrease in average structure movement in 2020 compared to 2019 is affected by the significant increase in the number of organizations reporting no (0%) salary structure increase. The projection for 2021 is holding steady at 1.9%. (See Figures 23 and 23a on page 36.)

Timing of Pay Increases

For many years, more than 95% of organizations have reported that pay increases are awarded on a 12-month cycle. However for 2020, this dropped significantly to only 89%. Last year, organizations reported that pay increases were awarded on a 12.2 average months cycle. In 2020, the average time between increases across all employee categories lengthened to 12.7 months (median: 12 months), with executive average lengthening to 12.9 months. (See Figure 3 on page 21.)

Portion of Workforce Receiving Increases

On average, participating organizations reported awarding at least some base salary increase (e.g., general increase/COLA, merit increase) to 84% of employees in 2020, whereas 90% of organizations were awarding employees in 2019. The median figures show that most organizations will award pay increases to nearly all employees. (See Figure 17 on page 32.)

Promotional Increases

The average percentage of employees receiving promotional increases in 2019 slightly declined to 8.4% (median: 8.0%), a reduction of 0.2 percentage point. The size of the average base pay promotional increase also declined 0.2 percentage point to 8.7% (median: 8.5%). (See Figure 17 on page 32.) Planned spending in 2020 on promotional increases as a percentage of total base salaries is consistent with the prior two years hovering around 1.5%. While the majority of organizations expect spending to be the same in 2021, 9% anticipate spending to be higher. (See Figure 16 on page 32.)

Variable Pay

The percentage of organizations using variable pay is unchanged in 2020, with 84% indicating the use of these programs. A combination of awards based on both organization/unit success and individual performance continues to be the most prevalent type of variable pay program. Depending on employee category, 82% to 91% of employees received variable pay for 2019 performance. (See Figures 29-33 on pages 42-44.)

This year the projected percent paid for variable pay programs was closely aligned to that budgeted. Looking to 2020, the projected percent paid is expected to be less than the average percent budgeted for all employee categories. (See Figure 32 on page 43.)

Compensation Program Prevalence

The prevalence of several compensation programs used in the past 12 months has declined. While market adjustments have been the most prevalent program used for a number of years, a 6% drop in utilization was realized in 2020. Meaningful declines in usage for 2020 as compared to 2019 were also reported for employee referral bonuses and paying above market programs, dropping to 69% and 30%, respectively. Sign-on/hiring bonuses is the most prevalent compensation practice, used by 75% of organizations.

SALARY BUDGET INCREASES

FIGURE 1 Salary Budget Increases, by Type of Increase

	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
General Increase/COLA	1.5%	2.0%	1.7%	2.0%	2.0%	2.5%	1.5%	1.9%	1.5%	2.0%
	(n=1,057)		(n=966)		(n=777)		(n=886)		(n=673)	
Merit Increase	2.8%	3.0%	2.9%	3.0%	3.0%	3.0%	2.6%	3.0%	2.7%	3.0%
	(n=5,401)		(n=5,419)		(n=5,085)		(n=4,784)		(n=4,371)	
Other Increase	0.8%	0.5%	0.9%	0.5%	1.0%	0.8%	0.8%	0.5%	0.9%	0.6%
	(n=1,711)		(n=1,661)		(n=1,508)		(n=1,439)		(n=1,230)	
Total Increase	3.1%	3.0%	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
	(n=5,909)		(n=5,910)		(n=5,538)		(n=5,179)		(n=4,735)	

Note: "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase. The n's represent the number of responses for each type of increase, which may include multiple responses if each respondent reports for more than one employee category for that type of increase.

FIGURE 2 Total Salary Budget Increases, by Employee Category

	Salary Budget Increases (zeros included)									
	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	3.1%	3.0%	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
Nonexempt Salaried	3.1%	3.0%	3.1%	3.0%	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%
Exempt Salaried	3.1%	3.0%	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
Officers/Executives	3.1%	3.0%	3.3%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
All	3.1%	3.0%	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%

	Salary Budget Increases (zeros not included)									
	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	3.1%	3.0%	3.2%	3.0%	3.3%	3.0%	3.1%	3.0%	3.1%	3.0%
Nonexempt Salaried	3.1%	3.0%	3.2%	3.0%	3.2%	3.0%	3.2%	3.0%	3.1%	3.0%
Exempt Salaried	3.2%	3.0%	3.3%	3.0%	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%
Officers/Executives	3.2%	3.0%	3.3%	3.0%	3.3%	3.0%	3.3%	3.0%	3.1%	3.0%
All	3.2%	3.0%	3.3%	3.0%	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%

SALARY BUDGET INCREASES

FIGURE 3 Number of Months Between Increases

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	12.0	12.0	12.0	12.0	12.5	12.0	12.9	12.0
Nonexempt Salaried	12.1	12.0	12.1	12.0	12.7	12.0	13.0	12.0
Exempt Salaried	12.1	12.0	12.1	12.0	12.6	12.0	12.9	12.0
Officers/Executives	12.4	12.0	12.4	12.0	12.9	12.0	13.2	12.0
All	12.2	12.0	12.1	12.0	12.7	12.0	13.0	12.0

FIGURE 4 Distribution of Total Salary Budget Increase Responses, Actual 2019 vs. Actual 2020

	Zero (0%)		0.1%–1.9%		2.0%–2.9%		3.0%–4.0%		4.1%–6.9%		7.0%+	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Nonexempt Hourly Nonunion	1%	9%	1%	2%	19%	18%	71%	64%	7%	7%	1%	<1%
Nonexempt Salaried	1%	10%	1%	2%	16%	16%	76%	66%	6%	6%	1%	1%
Exempt Salaried	1%	10%	1%	2%	17%	17%	72%	64%	8%	7%	1%	1%
Officers/Executives	2%	11%	1%	2%	15%	16%	72%	63%	8%	8%	2%	1%

SALARY BUDGET INCREASES

FIGURE 5 Salary Budget Increase Trends

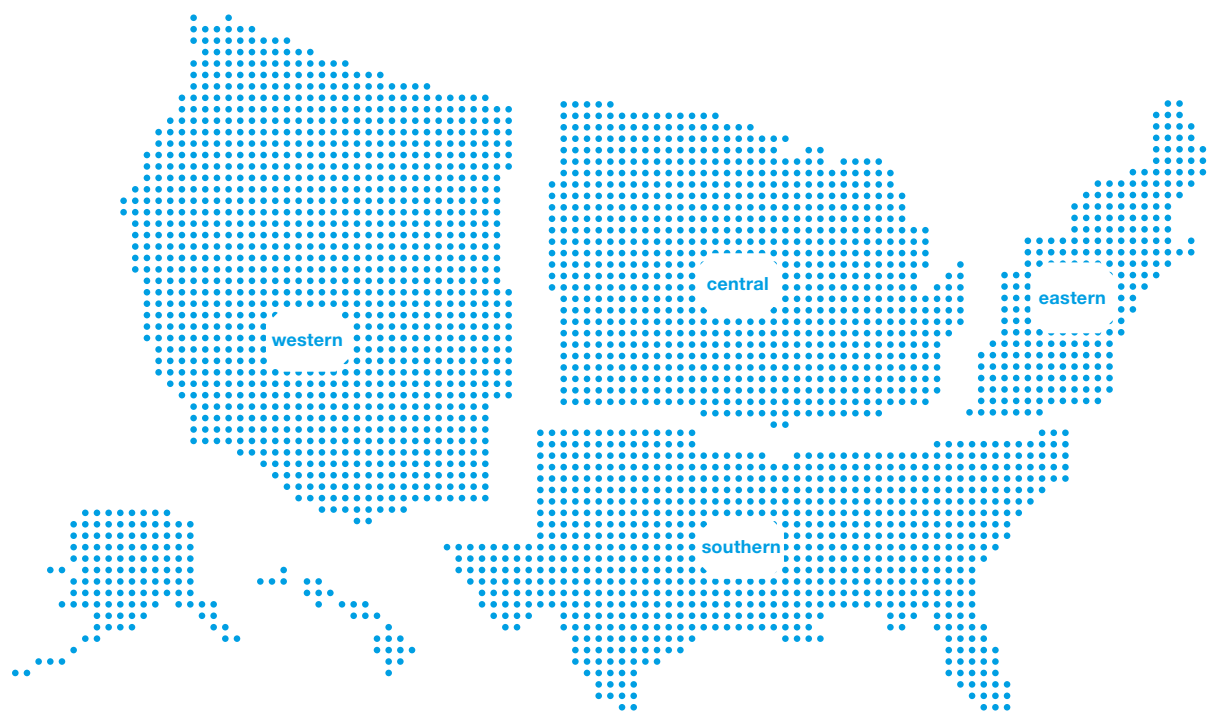
	Nonexempt Hourly Nonunion	Nonexempt Salaried	Exempt Salaried	Officers/Executives
1983	—	6.8%	6.9%	6.9%
1984	—	6.4%	6.5%	6.8%
1985	—	6.2%	6.4%	6.7%
1986	—	5.7%	5.9%	6.3%
1987	—	5.0%	5.2%	5.5%
1988	—	5.1%	5.2%	5.6%
1989	—	5.2%	5.4%	5.7%
1990	—	5.4%	5.5%	5.8%
1991	—	5.0%	5.0%	5.1%
1992	—	4.6%	4.7%	4.8%
1993	—	4.2%	4.3%	4.4%
1994	—	4.0%	4.0%	4.1%
1995	—	3.9%	4.0%	4.1%
1996	3.8%	4.0%	4.1%	4.3%
1997	4.1%	4.1%	4.3%	4.5%
1998	4.1%	4.2%	4.5%	4.6%
1999	4.1%	4.2%	4.4%	4.5%
2000	4.3%	4.4%	4.6%	4.8%
2001	4.3%	4.4%	4.6%	4.7%
2002	3.7%	3.7%	3.9%	4.0%
2003	3.5%	3.4%	3.6%	3.6%
2004	3.5%	3.4%	3.6%	3.6%
2005	3.6%	3.6%	3.7%	3.8%
2006	3.7%	3.7%	3.8%	3.9%
2007	3.8%	3.8%	3.9%	4.1%
2008	3.8%	3.8%	3.9%	4.0%
2009	2.3%	2.1%	2.2%	2.0%
2010	2.4%	2.4%	2.5%	2.5%
2011	2.7%	2.8%	2.8%	2.8%
2012	2.8%	2.9%	2.9%	2.8%
2013	2.9%	2.9%	2.9%	2.9%
2014	2.9%	3.0%	3.0%	3.0%
2015	2.9%	3.0%	3.0%	3.0%
2016	3.0%	2.9%	3.0%	3.0%
2017	3.0%	3.0%	3.0%	3.0%
2018	3.1%	3.1%	3.1%	3.1%
2019	3.2%	3.1%	3.2%	3.3%
2020	2.8%	2.9%	2.9%	2.9%
2021 Projected	2.9%	2.9%	2.9%	2.9%

SALARY BUDGET INCREASES

FIGURE 6 Total Salary Budget Increases, by Region and Employee Category

	Central						Eastern					
	Actual 2019		Actual 2020		Projected 2021		Actual 2019		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
Nonexempt Salaried	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%	3.1%	3.0%	2.9%	3.0%	2.9%	3.0%
Exempt Salaried	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Officers/Executives	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
All	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%

	Southern						Western					
	Actual 2019		Actual 2020		Projected 2021		Actual 2019		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%	3.3%	3.0%	2.8%	3.0%	3.0%	3.0%
Nonexempt Salaried	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Exempt Salaried	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%	3.3%	3.0%	2.9%	3.0%	3.0%	3.0%
Officers/Executives	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
All	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%



SALARY BUDGET INCREASES

FIGURE 7 Total Salary Budget Increases, by State

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
National	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
Alabama	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Alaska	3.1%	3.0%	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
Arizona	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
Arkansas	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
California	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	3.0%	3.0%
Colorado	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
Connecticut	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Delaware	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Florida	3.1%	3.0%	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%
Georgia	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Hawaii	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Idaho	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Illinois	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	3.0%	3.0%
Indiana	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
Iowa	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Kansas	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Kentucky	3.1%	3.0%	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
Louisiana	3.1%	3.0%	3.1%	3.0%	2.7%	3.0%	3.0%	3.0%
Maine	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Maryland	3.2%	3.0%	3.2%	3.0%	2.9%	3.0%	3.0%	3.0%
Massachusetts	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Michigan	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Minnesota	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Mississippi	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Missouri	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Montana	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Nebraska	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Nevada	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
New Hampshire	3.1%	3.0%	3.1%	3.0%	2.8%	3.0%	3.0%	3.0%
New Jersey	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
New Mexico	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
New York	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
North Carolina	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
North Dakota	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Ohio	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%

(Continued on page 25)

SALARY BUDGET INCREASES

FIGURE 7 Total Salary Budget Increases, by State (continued)

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Oklahoma	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Oregon	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Pennsylvania	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
Rhode Island	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
South Carolina	3.1%	3.0%	3.1%	3.0%	2.8%	3.0%	3.1%	3.0%
South Dakota	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Tennessee	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Texas	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
Utah	3.2%	3.0%	3.2%	3.0%	2.9%	3.0%	3.0%	3.0%
Vermont	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
Virginia	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Washington	3.3%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
West Virginia	3.1%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
Wisconsin	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Wyoming	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%

FIGURE 8 Total Salary Budget Increases, by Major Metropolitan Area

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
National	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
Atlanta	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	3.2%	3.0%
Baltimore	2.9%	3.0%	3.1%	3.0%	2.9%	3.0%	2.9%	3.0%
Boston	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.1%	3.0%
Chicago	3.1%	3.0%	3.2%	3.0%	2.9%	3.0%	3.0%	3.0%
Cincinnati	3.0%	3.0%	3.0%	3.0%	2.9%	3.0%	3.1%	3.0%
Cleveland	3.0%	3.0%	3.0%	3.0%	2.8%	3.0%	3.0%	3.0%
Dallas	3.2%	3.0%	3.3%	3.0%	2.8%	3.0%	2.9%	3.0%
Denver	3.3%	3.0%	3.4%	3.0%	3.0%	3.0%	3.2%	3.0%
Detroit	3.1%	3.0%	3.1%	3.0%	2.8%	3.0%	3.0%	3.0%
Houston	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
Los Angeles	3.2%	3.0%	3.2%	3.0%	2.9%	3.0%	3.0%	3.0%
Miami	3.1%	3.0%	3.1%	3.0%	2.7%	3.0%	2.8%	3.0%
Minneapolis	3.0%	3.0%	3.1%	3.0%	2.8%	3.0%	3.0%	3.0%

(Continued on page 26)

SALARY BUDGET INCREASES

FIGURE 8 Total Salary Budget Increases, by Major Metropolitan Area (continued)

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
New York	3.2%	3.0%	3.2%	3.0%	2.9%	3.0%	3.0%	3.0%
Philadelphia	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
Phoenix	3.2%	3.0%	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%
Pittsburgh	3.1%	3.0%	3.1%	3.0%	2.6%	3.0%	2.9%	3.0%
Portland	3.3%	3.0%	3.2%	3.0%	2.9%	3.0%	3.2%	3.0%
San Diego	3.3%	3.0%	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%
San Francisco	3.3%	3.0%	3.3%	3.0%	2.9%	3.0%	3.0%	3.0%
San Jose	3.3%	3.0%	3.3%	3.0%	2.9%	3.0%	3.1%	3.0%
Seattle	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%	3.1%	3.0%
St. Louis	3.0%	3.0%	3.0%	3.0%	2.8%	3.0%	2.9%	3.0%
Tampa	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	3.2%	3.0%
Washington, D.C.	3.2%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%

FIGURE 9 Total Salary Budget Increases, by Major Industry Grouping

Summary data are presented this year for all major industries in which data were reported. Detailed information about these industries and additional subindustries can be accessed through the "Online Reporting Tool." See page 6 for details.

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
All Industries	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
Accommodation and Food Services	3.0%	3.0%	3.1%	3.0%	3.0%	3.0%	2.8%	3.0%
Administrative and Support and Waste Management and Remediation Services	3.2%	3.0%	3.1%	3.0%	2.9%	3.0%	2.9%	3.0%
Agriculture, Forestry, Fishing and Hunting	3.2%	3.0%	3.3%	3.0%	3.0%	3.0%	3.1%	3.0%
Arts, Entertainment, and Recreation	3.4%	3.0%	3.4%	3.0%	2.4%	3.0%	3.4%	3.0%
Construction	3.9%	3.3%	3.3%	3.1%	3.4%	3.0%	3.3%	3.0%
Educational Services	2.7%	2.8%	2.7%	3.0%	1.5%	1.0%	2.0%	2.5%
Finance and Insurance	3.3%	3.0%	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%
Health Care and Social Assistance	3.1%	3.0%	3.1%	3.0%	2.7%	3.0%	2.6%	3.0%
Information	3.4%	3.0%	3.4%	3.0%	2.8%	3.0%	3.2%	3.0%
Management of Companies and Enterprises	3.5%	3.0%	3.6%	3.0%	3.1%	3.0%	3.4%	3.0%
Manufacturing	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	3.0%	3.0%
Mining, Quarrying, and Oil and Gas Extraction	3.5%	3.0%	3.3%	3.0%	3.1%	3.0%	2.4%	3.0%
Professional, Scientific, and Technical Services (includes Consulting)	3.4%	3.0%	3.5%	3.0%	3.2%	3.0%	3.4%	3.0%

(Continued on page 27)

SALARY BUDGET INCREASES

FIGURE 9 Total Salary Budget Increases, by Major Industry Grouping (continued)

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Public Administration	3.2%	3.0%	3.4%	3.0%	3.2%	3.0%	2.0%	2.5%
Real Estate and Rental and Leasing	3.3%	3.0%	3.3%	3.0%	3.0%	3.0%	3.1%	3.0%
Retail Trade	3.0%	3.0%	3.2%	3.0%	2.4%	3.0%	2.8%	3.0%
Telecommunications	3.0%	3.0%	2.9%	3.0%	2.6%	3.0%	2.6%	3.0%
Transportation and Warehousing	3.2%	3.0%	3.1%	3.0%	2.6%	3.0%	2.4%	3.0%
Utilities	3.3%	3.0%	3.5%	3.0%	3.2%	3.0%	3.1%	3.0%
Wholesale Trade	3.3%	3.0%	3.4%	3.0%	2.9%	3.0%	2.8%	3.0%
Other Services (except Public Administration)	3.5%	3.0%	3.8%	3.5%	3.1%	3.0%	2.6%	3.0%

FIGURE 10 Total Salary Budget Increases, by Organization Size

Number of Employees	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
1-499	3.7%	3.1%	3.6%	3.0%	3.5%	3.0%	3.1%	3.0%
500-2,499	3.4%	3.0%	3.4%	3.0%	3.0%	3.0%	3.0%	3.0%
2,500-9,999	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
10,000-19,999	3.0%	3.0%	3.1%	3.0%	2.6%	3.0%	2.7%	3.0%
20,000+	3.0%	3.0%	3.1%	3.0%	2.7%	3.0%	2.7%	3.0%

FIGURE 11 Total Salary Budget Increases, by Revenue

2019 Revenue	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Up to \$30 million	3.6%	3.0%	3.5%	3.0%	3.4%	3.0%	2.8%	3.0%
More than \$30 million to \$100 million	3.5%	3.0%	3.6%	3.0%	3.1%	3.0%	3.0%	3.0%
More than \$100 million to \$300 million	3.3%	3.0%	3.4%	3.0%	3.1%	3.0%	3.0%	3.0%
More than \$300 million to \$600 million	3.4%	3.0%	3.4%	3.0%	2.7%	3.0%	3.1%	3.0%
More than \$600 million to \$1 billion	3.2%	3.0%	3.3%	3.0%	2.9%	3.0%	3.1%	3.0%
More than \$1 billion to \$3 billion	3.2%	3.0%	3.3%	3.0%	2.7%	3.0%	2.9%	3.0%
More than \$3 billion to \$5 billion	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
More than \$5 billion to \$8 billion	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%
More than \$8 billion to \$10 billion	3.1%	3.0%	3.1%	3.0%	2.9%	3.0%	2.8%	3.0%
More than \$10 billion	3.1%	3.0%	3.2%	3.0%	2.8%	3.0%	2.8%	3.0%

SALARY BUDGET INCREASES

FIGURE 12 Impact of Anticipating Pay Adjustments to Remediate Pay Equity Issues on 2020 Salary Budgets *(n=1,669)*

Additional amount budgeted for equity adjustments as part of salary budget but separate from other pay increase budgets	14%
Additional amount budgeted for equity adjustment as part of merit budget	8%
Additional amount budgeted for equity adjustment as part of general increase/COLA increase budget	2%
Additional amount budgeted for equity adjustment as part of other increase budget	10%
Percent of organizations that do NOT budget for pay equity adjustments	31%
Organizations not anticipating pay adjustments to remediate pay equity issues	36%

FIGURE 12A 2020 Funding When Pay Equity Adjustments Are Not Budgeted *(n=500)*

Pay equity adjustments are paid for out of the merit budget, even though the merit budget is not inflated to cover equity adjustments	28%
Pay equity adjustments are paid for out of the general increase/COLA increase budget, even though the general increase/COLA budget is not inflated to cover equity adjustments	2%
Pay equity adjustments are paid for out of the other increase budget, even though the other increase budget is not inflated to cover equity adjustments	25%
Pay equity adjustments are paid for with savings (e.g., savings realized from vacant positions, hiring at a lower rate than the previous incumbent, downsizing)	45%

SALARY BUDGET INCREASES

FIGURE 12B Impact of Anticipating Pay Adjustments to Remediate Pay Equity Issues on 2021 Salary Budgets (n=1,627)

Additional amount budgeted for equity adjustments as part of salary budget but separate from other pay increase budgets	16%
Additional amount budgeted for equity adjustment as part of merit budget	8%
Additional amount budgeted for equity adjustment as part of general increase/COLA increase budget	2%
Additional amount budgeted for equity adjustment as part of other increase budget	12%
Percent of organizations that do NOT budget for pay equity adjustments	25%
Organizations not anticipating pay adjustments to remediate pay equity issues	37%

FIGURE 12C 2021 Funding When Pay Equity Adjustments Are Not Budgeted (n=391)

Pay equity adjustments are paid for out of the merit budget, even though the merit budget is not inflated to cover equity adjustments	25%
Pay equity adjustments are paid for out of the general increase/COLA increase budget, even though the general increase/COLA budget is not inflated to cover equity adjustments	3%
Pay equity adjustments are paid for out of the other increase budget, even though the other increase budget is not inflated to cover equity adjustments	23%
Pay equity adjustments are paid for with savings (e.g., savings realized from vacant positions, hiring at a lower rate than the previous incumbent, downsizing)	49%

PROMOTIONAL INCREASES

FIGURE 13 Impact of Promotional Increases on Salary Budgets (n=1,663)

Additional amount budgeted for promotional increases as part of salary budget but separate from other pay increase budgets	21%
Additional amount budgeted for promotional increases as part of merit budget	10%
Additional amount budgeted for promotional increases as part of general increase/COLA increase budget	1%
Additional amount budgeted for promotional increases as part of other increase budget	18%
Percent of organizations that do budget for promotions	50%
Percent of organizations that do NOT budget for promotions	50%

FIGURE 13A Promotional Increase Funding When Promotional Increases Are Not Budgeted (n=778)

Promotional increases are paid for out of the merit budget, even though the merit budget is not inflated to cover promotional increases	23%
Promotional increases are paid for out of the general increase/COLA increase budget, even though the general increase/COLA budget is not inflated to cover promotional increases	4%
Promotional increases are paid for out of the other increase budget, even though the other increase budget is not inflated to cover promotional increases	23%
Promotional increases are paid for with savings (e.g., savings realized from vacant positions, hiring at a lower rate than the previous incumbent, downsizing)	63%

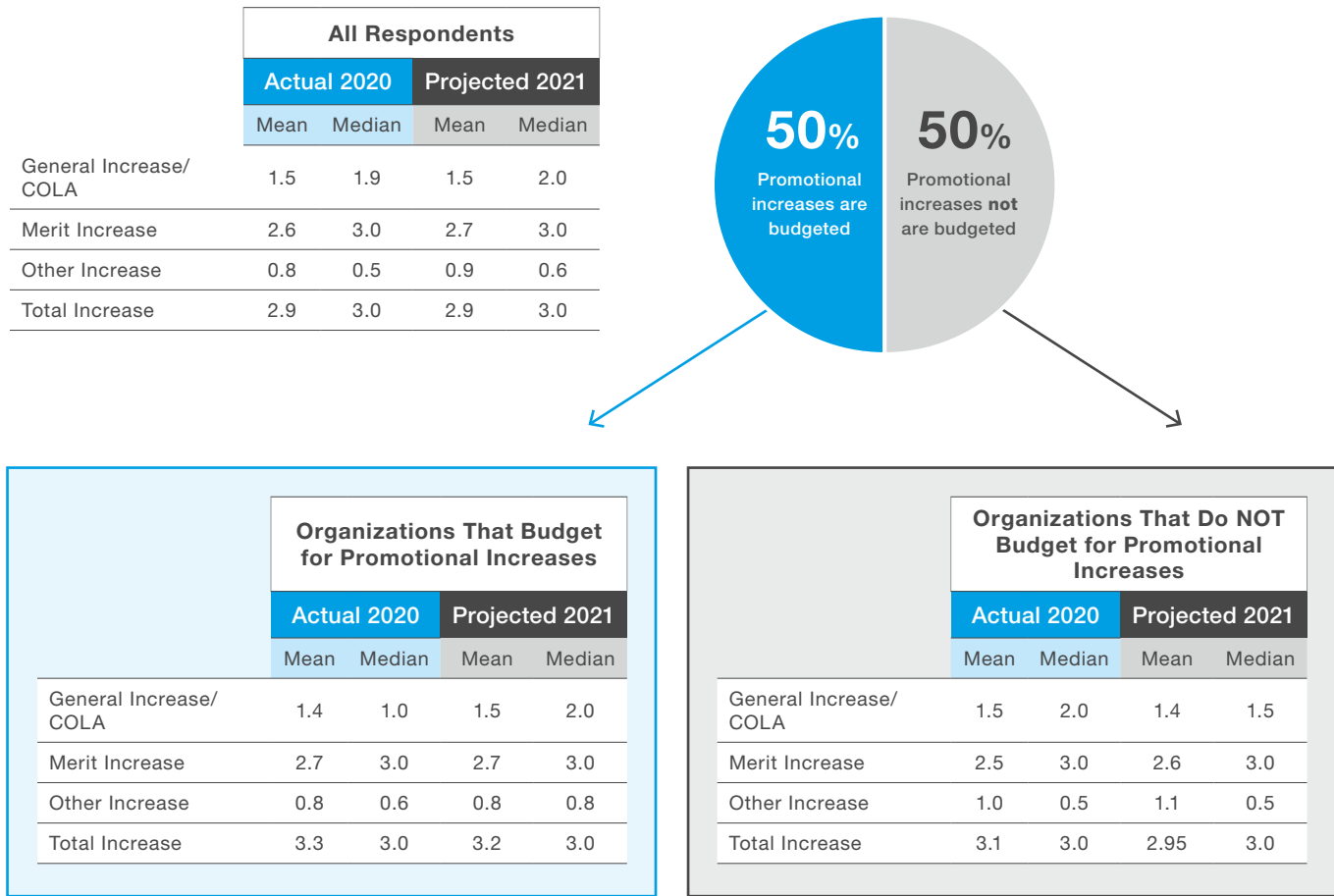
FIGURE 13B Promotional Increase Budget Practices



* Data for companies that do budget for promotions were extracted from Figure 15 and recalculated to show breakdown within those 51% of respondents. NOTE: See Figure 15 and 15a for additional detail on data used to create this chart.

PROMOTIONAL INCREASES

FIGURE 14 Salary Budget Increases, by Promotional Increase Budget Practices



PROMOTIONAL INCREASES

FIGURE 15 Promotional Increases

	2018		2019		2020	
	Mean	Median	Mean	Median	Mean	Median
Percentage of employees that received promotional increases	8.6%	8.0%	8.4%	8.0%	--	--
	n=1,257		n=1,174			
Percentage of promoted employees' base salary	8.9%	8.6%	8.7%	8.5%	--	--
	n=1,253		n=1,164			
Planned spending on promotional increases as a percentage of total base salaries	1.5%	1.0%	1.6%	1.0%	1.5%	1.0%
	n=1,138		n=1,157		n=1,076	

-- Question was not an option in the survey questionnaire.

FIGURE 16 Change in Planned Spending on Promotional Increases

	More	Similar	Less
Planned spending on promotional increases in 2020 is ... than 2019	4%	74%	22%
Estimated spending on promotional increases in 2021 will be ... than 2020	9%	75%	16%

PERCENT OF EMPLOYEES RECEIVING A BASE SALARY INCREASE

FIGURE 17 Percent of Employees Receiving a Base Salary Increase in 2020, by Employee Category

	Percent of Employees Receiving an Increase in 2020		Percent of Employees Receiving an Increase in 2020 is ... than 2019		
	Mean	Median	Larger	Similar	Smaller
Nonexempt Hourly Nonunion	83%	95%	5%	84%	12%
Nonexempt Salaried	85%	96%	4%	86%	10%
Exempt Salaried	84%	95%	5%	83%	12%
Officers/Executives	83%	100%	5%	83%	12%

PERCENT OF EMPLOYEES RECEIVING A BASE SALARY INCREASE

FIGURE 18 Percent of Employees Receiving a Base Salary Increase in 2020, by Employee Category and Region

	Central		Eastern		Southern		Western	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	82%	95%	80%	95%	82%	95%	82%	95%
Nonexempt Salaried	85%	96%	84%	95%	86%	95%	84%	95%
Exempt Salaried	84%	95%	82%	95%	84%	95%	83%	95%
Officers/Executives	83%	99%	81%	97%	82%	99%	82%	98%

MERIT INCREASE AWARDS

FIGURE 19 Merit Increases Awarded, by Performance Category

	High Performers		Middle Performers		Low Performers	
	Mean	Median	Mean	Median	Mean	Median
2019						
Percentage of employees rated in this category for 2019	26%	23%	68%	70%	6%	4%
Average merit increase awarded to this 2019 performance category	4.0%	4.0%	2.7%	2.9%	0.8%	0.5%
2020						
Percentage of employees estimated to be rated in this category for 2020	25%	20%	69%	70%	6%	5%
Average merit increase estimated for this 2020 performance category	3.6%	4.0%	2.5%	2.8%	0.6%	0.0%

Note: The mean distribution of the percent of employees in each performance category will total 100% or, as a result of rounding, may be very close. However, by definition, the median value for each category will move depending on the frequency of values in the dataset. Therefore, the median distribution of the percent of employees in each category will not equal 100%.

MERIT INCREASE AWARDS

FIGURE 20 Five-Year History of Merit Increase Differentiation

	Middle Performers (Mean)	High Performers (Mean)	Differentiation Between Middle and High Performers
2016	2.7%	4.0%	48%
2017	2.7%	4.0%	48%
2018	2.8%	4.1%	46%
2019	2.7%	4.0%	48%
2020 (estimated)	2.5%	3.6%	44%

Differentiation percentage formula: (high performer mean – middle performer mean) / middle performer mean

FIGURE 20B Relationship Between the Number of Employees Rated as High Performers and the Size of Merit Increases Awarded to High Performers

Percent of employees rated as high performers for 2019	2019 Merit Increase Award for High Performers		
	n	Mean	Median
Up to 10% of employees	190	4.2	4.0
11 to 15% of employees	118	4.3	4.0
16 to 24% of employees	241	4.2	4.0
25 to 29% of employees	122	4.0	4.0
30% or more of employees	375	3.8	3.7

COMPENSATION PHILOSOPHY

FIGURE 21 Base Pay Market Comparison Target, by Employee Category

	10 th Percentile	25 th Percentile	50 th Percentile (median)	75 th Percentile	90 th Percentile	Other Percentile	No Formal Compensation Strategy
Nonexempt Hourly Nonunion	0.4%	2.5%	86.7%	2.5%	0.3%	3.1%	4.7%
Nonexempt Salaried	0.2%	1.8%	86.6%	2.6%	0.3%	3.2%	5.4%
Exempt Salaried	0.3%	1.7%	87.0%	2.7%	0.4%	3.4%	4.5%
Officers/Executives	0.1%	1.7%	77.8%	7.9%	0.4%	4.2%	8.0%

LUMP-SUM AWARDS (BASE-PAY RELATED)

A lump-sum award is defined as an increase in pay that is made in the form of a single cash payment. Lump-sum awards often are used in one of three circumstances:

- When an employer does not want to increase the employee's base pay due to budget constraints
- When an employee is reaching or exceeding the maximum of his/her salary range
- When an employer is trying to give the employee more buying power at a specific point in time.

FIGURE 22 Lump-Sum Awards, by Employee Category

	Percent of Companies Giving Lump-Sum Awards	Percent of Employees Receiving Lump-Sum Awards (Mean)
Nonexempt Hourly Nonunion	53%	11%
Nonexempt Salaried	53%	9%
Exempt Salaried	57%	11%
Officers/Executives	40%	18%

SALARY STRUCTURE ADJUSTMENTS

An organization's salary structure is a hierarchy of pay ranges with established minimums and maximums. Organizations frequently apply control points (often the midpoint) within each salary range. The collection of those control points determines

the pay line. As a general rule, the numbers displayed in Figure 25 refer to the percent increase in the salary structure pay line encompassing all salary range control points.

FIGURE 23 Salary Structure Increases, by Employee Category

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	2.1%	2.0%	2.2%	2.0%	1.9%	2.0%	1.8%	2.0%
	(n=1,088)		(n=1,008)		(n=963)		(n=889)	
Nonexempt Salaried	2.1%	2.0%	2.2%	2.0%	1.9%	2.0%	1.9%	2.0%
	(n=527)		(n=472)		(n=476)		(n=422)	
Exempt Salaried	2.2%	2.0%	2.2%	2.0%	1.9%	2.0%	1.9%	2.0%
	(n=1,306)		(n=1,206)		(n=1,172)		(n=1,069)	
Officers/Executives	2.2%	2.0%	2.2%	2.0%	1.9%	2.0%	1.9%	2.0%
	(n=1,027)		(n=955)		(n=940)		(n=868)	
All	2.2%	2.0%	2.2%	2.0%	1.9%	2.0%	1.9%	2.0%
	(n=3,948)		(n=3,641)		(n=3,551)		(n=3,248)	

FIGURE 23A Actual 2020 Salary Structure Increase Data, Most Common Responses

	Nonexempt Hourly Nonunion Mean: 1.9%	Nonexempt Salaried Mean: 1.9%	Exempt Salaried Mean: 1.9%	Officers/Executives Mean: 1.9%
3.0% increase	15%	12%	13%	14%
2.5% increase	5%	5%	5%	6%
2.0% increase	30%	34%	31%	31%
0.0% increase	23%	20%	22%	24%

SALARY STRUCTURE ADJUSTMENTS

FIGURE 23B Projected 2021 Salary Structure Increase Data, Most Common Responses

	Nonexempt Hourly Nonunion Mean: 1.8%	Nonexempt Salaried Mean: 1.9%	Exempt Salaried Mean: 1.9%	Officers/Executives Mean: 1.9%
3.0% increase	21%	16%	18%	19%
2.5% increase	5%	5%	5%	5%
2.0% increase	36%	39%	37%	37%
0.0% increase	20%	18%	19%	20%

FIGURE 24 Organizations Reporting No Salary Structure Increase (0%), by Employee Category

	Actual 2019		Actual 2020		Projected 2021	
	%	n	%	n	%	n
Nonexempt Hourly Nonunion	13%	1,088	23%	963	20%	889
Nonexempt Salaried	11%	527	20%	476	18%	422
Exempt Salaried	13%	1,306	22%	1,172	19%	1,069
Officers/Executives	16%	1,027	24%	940	20%	868

FIGURE 25 Number of Months Since Last Increase if No Increase Was Reported (0% or Blank) and Most Common Responses

	n	Mean	Median	Frequency of Responses			
				12 months	18 months	24 months	36 months
Nonexempt Hourly Nonunion	204	20.0	12.0	45%	12%	18%	6%
Nonexempt Salaried	88	18.0	12.0	53%	9%	11%	9%
Exempt Salaried	238	19.0	12.0	43%	13%	18%	7%
Officers/Executives	196	19.0	12.0	43%	12%	19%	9%

SALARY STRUCTURE ADJUSTMENTS

FIGURE 26 Salary Structure Trends

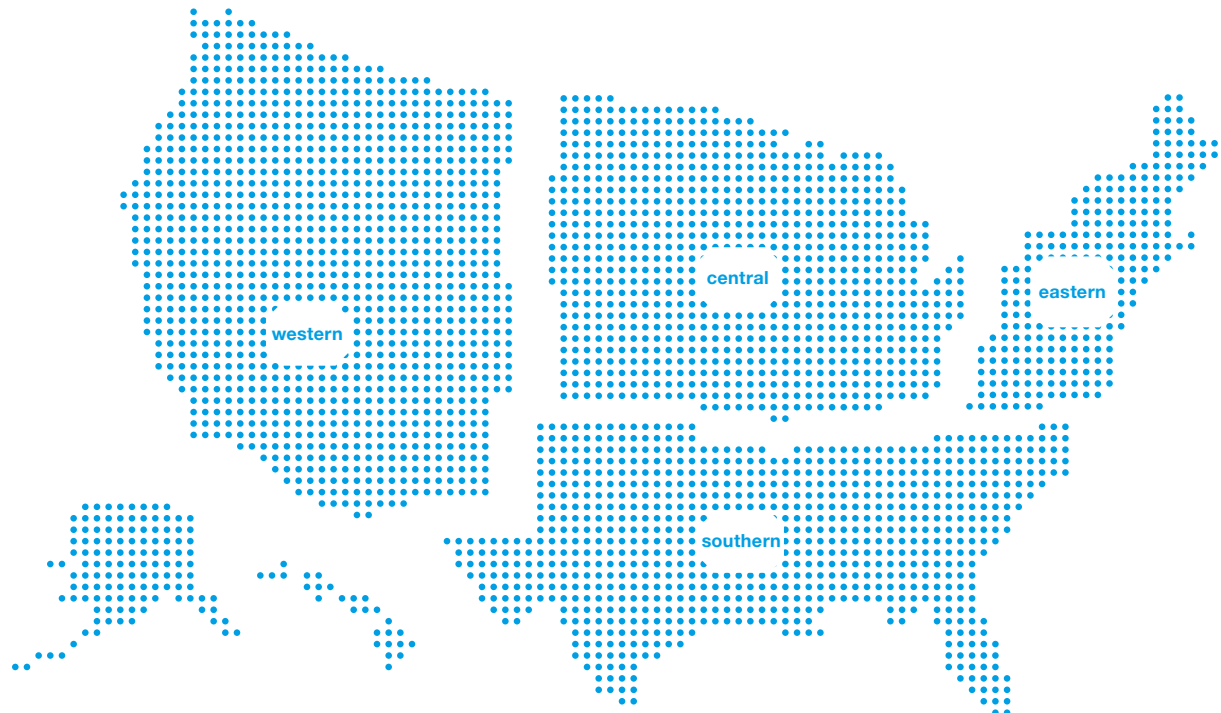
	Nonexempt Hourly Nonunion	Nonexempt Salaried	Exempt Salaried	Officers/Executives
1994	—	2.4%	2.5%	2.5%
1995	—	2.3%	2.4%	2.4%
1996	2.7%	2.8%	2.9%	3.0%
1997	2.5%	2.5%	2.7%	2.6%
1998	2.6%	2.7%	2.9%	2.7%
1999	2.6%	2.7%	2.9%	2.7%
2000	2.8%	2.8%	3.0%	2.9%
2001	3.0%	3.1%	3.2%	3.0%
2002	2.3%	2.4%	2.5%	2.4%
2003	2.0%	2.3%	2.1%	2.2%
2004	1.9%	2.0%	2.0%	2.0%
2005	2.1%	2.2%	2.2%	2.2%
2006	2.5%	2.6%	2.6%	2.7%
2007	2.5%	2.6%	2.6%	2.6%
2008	2.5%	2.5%	2.5%	2.6%
2009	1.5%	1.5%	1.5%	1.4%
2010	1.1%	1.3%	1.2%	1.2%
2011	1.4%	1.5%	1.5%	1.4%
2012	1.7%	2.1%	1.7%	1.7%
2013	1.8%	1.9%	1.9%	1.9%
2014	1.9%	1.9%	1.9%	1.9%
2015	1.8%	2.0%	2.0%	1.9%
2016	1.9%	1.9%	2.0%	2.0%
2017	2.0%	2.0%	2.0%	2.1%
2018	2.0%	2.1%	2.1%	2.0%
2019	2.1%	2.1%	2.2%	2.2%
2020	1.9%	1.9%	1.9%	1.9%
2021 Projected	1.8%	1.9%	1.9%	1.9%

SALARY STRUCTURE ADJUSTMENTS

FIGURE 27 Salary Structure Increases, by Region and Employee Category

	Central				Eastern			
	Actual 2020		Projected 2021		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	1.9%	2.0%	1.9%	2.0%	1.8%	2.0%	1.9%	2.0%
Nonexempt Salaried	1.9%	2.0%	2.0%	2.0%	1.8%	2.0%	1.9%	2.0%
Exempt Salaried	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%
Officers/Executives	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%
All	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%	1.9%	2.0%

	Southern				Western			
	Actual 2020		Projected 2021		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonexempt Hourly Nonunion	1.9%	2.0%	1.9%	2.0%	2.0%	2.0%	1.9%	2.0%
Nonexempt Salaried	1.9%	2.0%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
Exempt Salaried	1.9%	2.0%	1.9%	2.0%	2.0%	2.0%	1.9%	2.0%
Officers/Executives	2.0%	2.0%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
All	1.9%	2.0%	1.9%	2.0%	2.0%	2.0%	1.9%	2.0%



15-YEAR PERSPECTIVE: SALARY BUDGET AND STRUCTURE INCREASES

FIGURE 28 15-Year Perspective: Salary Budget and Structure Increases

Salary Budget Increases																
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 projected
Nonexempt Hourly Nonunion	—	—	—	—	—	2.7%	2.8%	2.9%	2.9%	2.9%	3.0%	3.0%	3.1%	3.2%	2.8%	2.9%
Nonexempt Salaried	—	—	—	—	—	2.8%	2.9%	2.9%	3.0%	3.0%	2.9%	3.0%	3.1%	3.1%	2.9%	2.9%
Exempt Salaried	—	—	—	—	—	2.8%	2.9%	2.9%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	2.9%	2.9%
Officers/ Executives	—	—	—	—	—	2.8%	2.8%	2.9%	3.0%	3.0%	3.0%	3.0%	3.1%	3.3%	2.9%	2.9%
All	3.8%	3.9%	3.9%	2.2%	2.5%	2.8%	2.8%	2.9%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	2.9%	2.9%

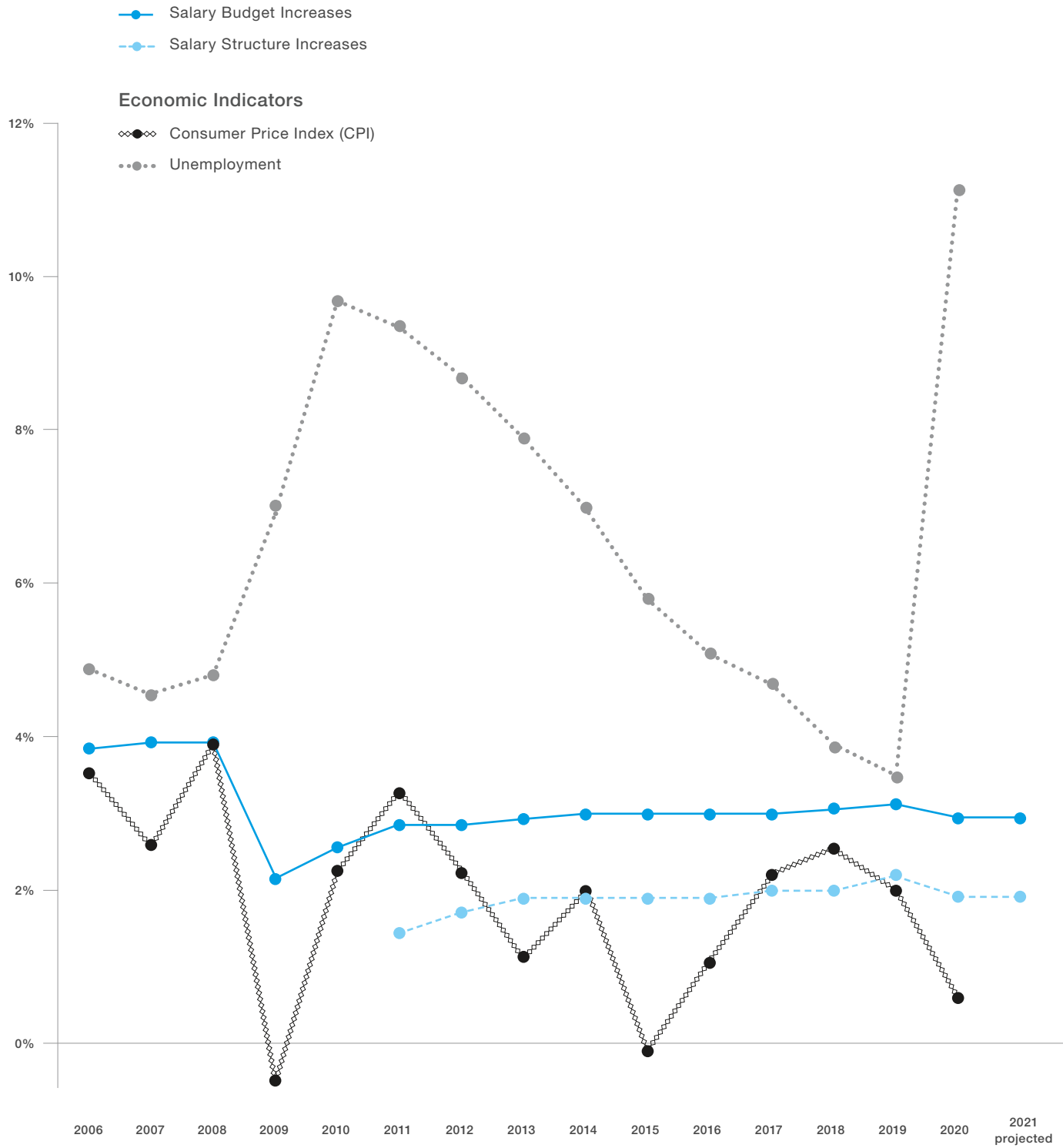
Salary Structure Increases																
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 projected
Nonexempt Hourly Nonunion	—	—	—	—	—	1.4%	1.7%	1.8%	1.9%	1.8%	1.9%	2.0%	2.0%	2.1%	1.9%	1.8%
Nonexempt Salaried	—	—	—	—	—	1.5%	2.1%	1.9%	1.9%	2.0%	1.9%	2.0%	2.1%	2.1%	1.9%	1.9%
Exempt Salaried	—	—	—	—	—	1.5%	1.7%	1.9%	1.9%	2.0%	2.0%	2.0%	2.1%	2.2%	1.9%	1.9%
Officers/ Executives	—	—	—	—	—	1.4%	1.7%	1.9%	1.9%	1.9%	2.0%	2.1%	2.0%	2.2%	1.9%	1.9%
All	—	—	—	—	—	1.4%	1.7%	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%	2.2%	1.9%	1.9%

Economic Indicators																
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 projected
Consumer Price Index (CPI)	3.5%	2.6%	3.9%	-0.7%	2.2%	3.2%	2.3%	1.1%	2.0%	-0.2%	1.1%	2.2%	2.5%	2.0%	0.6%	—
Unemployment	4.9%	4.6%	4.8%	6.9%	9.7%	9.3%	8.8%	7.9%	7.0%	5.8%	5.1%	4.7%	3.9%	3.6%	11.1%	—

Note: U.S. CPI as reported by U.S. Bureau of Labor Statistics (BLS) for all urban consumers for 12 months ending June 2020. Average U.S. unemployment rate as reported by BLS for labor force 16 years and over for 12 months ending June 2020 (www.bls.gov).

15-YEAR PERSPECTIVE: SALARY BUDGET AND STRUCTURE INCREASES

FIGURE 28 15-Year Perspective: Salary Budget and Structure Increases *(continued)*



VARIABLE PAY

Variable pay is the percentage of payroll established by management to grant to employees for performance-based, lump-sum, short-term cash awards during the year. Included in this calculation are payments provided under a formal plan,

such as organizationwide awards, unit/strategic business unit (SBU) awards and/or individual incentive awards. (Specific salesforce incentive awards and cash awards for recognition are excluded from the variable pay data.)

FIGURE 29 Use of Variable Pay

Percent of organizations ...	2018	2019	2020
Using variable pay	85%	84%	84%
Not using variable pay	15%	16%	16%

FIGURE 30 Types of Variable Pay Programs

Combination awards based on both organization/unit success and individual performance	69%
Organizationwide awards	27%
Individual incentive awards	22%
Unit/strategic business unit awards	17%

FIGURE 31 Impact of Variable Pay on Base Salary Budget Recommendations

	Nonexempt Hourly Nonunion	Nonexempt Salaried	Exempt Salaried	Officers/Executives
No impact	82%	84%	77%	74%
Some impact	16%	15%	21%	21%
Significant impact	2%	1%	2%	4%

VARIABLE PAY

FIGURE 32 Variable Pay Programs, 2019-2021

National	Nonexempt Hourly Nonunion		Nonexempt Salaried		Exempt Salaried		Officers/ Executives	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2019								
Average percent budgeted	5.9%	5.0%	6.2%	5.0%	13.1%	12.0%	39.1%	37.0%
Average percent paid	5.6%	5.0%	6.3%	5.1%	12.8%	12.0%	38.5%	35.0%
Percent of employees eligible in 2019 for variable pay	88%	100%	91%	100%	83%	100%	95%	100%
Percent of eligible employees actually paid variable pay for 2019	82%	99%	87%	99%	82%	98%	91%	100%
2020								
Average percent budgeted	5.6%	5.0%	6.0%	5.0%	12.6%	12.0%	37.9%	35.0%
Projected percent paid	5.0%	5.0%	5.4%	5.0%	11.4%	10.0%	33.9%	30.0%
2021								
Projected percent budgeted	5.8%	5.0%	6.1%	5.0%	12.9%	12.0%	38.1%	37.0%

VARIABLE PAY

FIGURE 33 2019-2021 Variable Pay Programs, by Region

Central	Nonexempt Hourly Nonunion		Nonexempt Salaried		Exempt Salaried		Officers/ Executives	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2019								
Average percent budgeted	5.7%	5.0%	6.2%	5.0%	13.6%	13.0%	42.5%	40.0%
Average percent paid	5.4%	4.8%	6.4%	5.0%	13.6%	12.5%	42.2%	38.0%
Percent of employees eligible in 2019 for variable pay	84%	100%	90%	100%	80%	100%	95%	100%
Percent of eligible employees actually paid variable pay for 2019	81%	98%	88%	99%	82%	98%	91%	100%
2020								
Average percent budgeted	5.3%	5.0%	5.8%	5.0%	13.0%	13.0%	41.0%	40.0%
Projected percent paid	4.9%	4.5%	5.5%	5.0%	12.1%	11.1%	36.8%	35.0%
2021								
Projected percent budgeted	5.6%	5.0%	6.1%	5.0%	13.4%	13.0%	41.6%	40.0%
Eastern								
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
2019								
Average percent budgeted	5.8%	5.0%	6.0%	5.0%	13.2%	13.0%	42.1%	40.0%
Average percent paid	5.4%	5.0%	6.2%	5.7%	13.3%	12.5%	42.1%	39.4%
Percent of employees eligible in 2019 for variable pay	86%	100%	88%	100%	81%	100%	95%	100%
Percent of eligible employees actually paid variable pay for 2019	79%	98%	86%	99%	82%	98%	91%	100%
2020								
Average percent budgeted	5.7%	5.0%	6.1%	5.0%	13.0%	13.0%	41.6%	40.0%
Projected percent paid	5.1%	5.0%	5.4%	5.0%	12.1%	12.0%	38.1%	36.5%
2021								
Projected percent budgeted	5.7%	5.0%	6.0%	5.0%	13.1%	13.0%	42.0%	40.0%

(Continued on page 45)

VARIABLE PAY

FIGURE 33 2019-2021 Variable Pay Programs, by Region *(continued)*

	Nonexempt Hourly Nonunion		Nonexempt Salaried		Exempt Salaried		Officers/ Executives	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Southern								
2019								
Average percent budgeted	5.8%	5.0%	6.2%	5.0%	14.1%	13.0%	43.4%	40.0%
Average percent paid	5.3%	5.0%	6.1%	5.0%	13.8%	13.0%	42.2%	38.6%
Percent of employees eligible in 2019 for variable pay	86%	100%	88%	100%	81%	100%	95%	100%
Percent of eligible employees actually paid variable pay for 2019	81%	98%	86%	99%	83%	98%	92%	100%
2020								
Average percent budgeted	5.6%	5.0%	6.0%	5.0%	13.5%	13.0%	42.3%	40.0%
Projected percent paid	4.9%	5.0%	5.1%	5.0%	12.6%	12.0%	38.3%	35.5%
2021								
Projected percent budgeted	5.8%	5.0%	6.1%	5.0%	13.8%	13.0%	42.4%	40.0%
Western								
2019								
Average percent budgeted	6.3%	5.0%	6.4%	5.0%	13.6%	13.0%	42.8%	40.0%
Average percent paid	5.7%	5.0%	6.4%	5.7%	13.3%	12.0%	42.0%	39.2%
Percent of employees eligible in 2019 for variable pay	85%	100%	90%	100%	82%	100%	96%	100%
Percent of eligible employees actually paid variable pay for 2019	80%	97%	88%	99%	82%	98%	91%	100%
2020								
Average percent budgeted	5.9%	5.0%	6.0%	5.0%	13.2%	13.0%	42.1%	40.0%
Projected percent paid	5.3%	5.0%	5.4%	5.0%	12.2%	12.0%	38.3%	38.0%
2021								
Projected percent budgeted	6.1%	5.0%	6.3%	5.0%	13.5%	14.0%	42.2%	40.0%

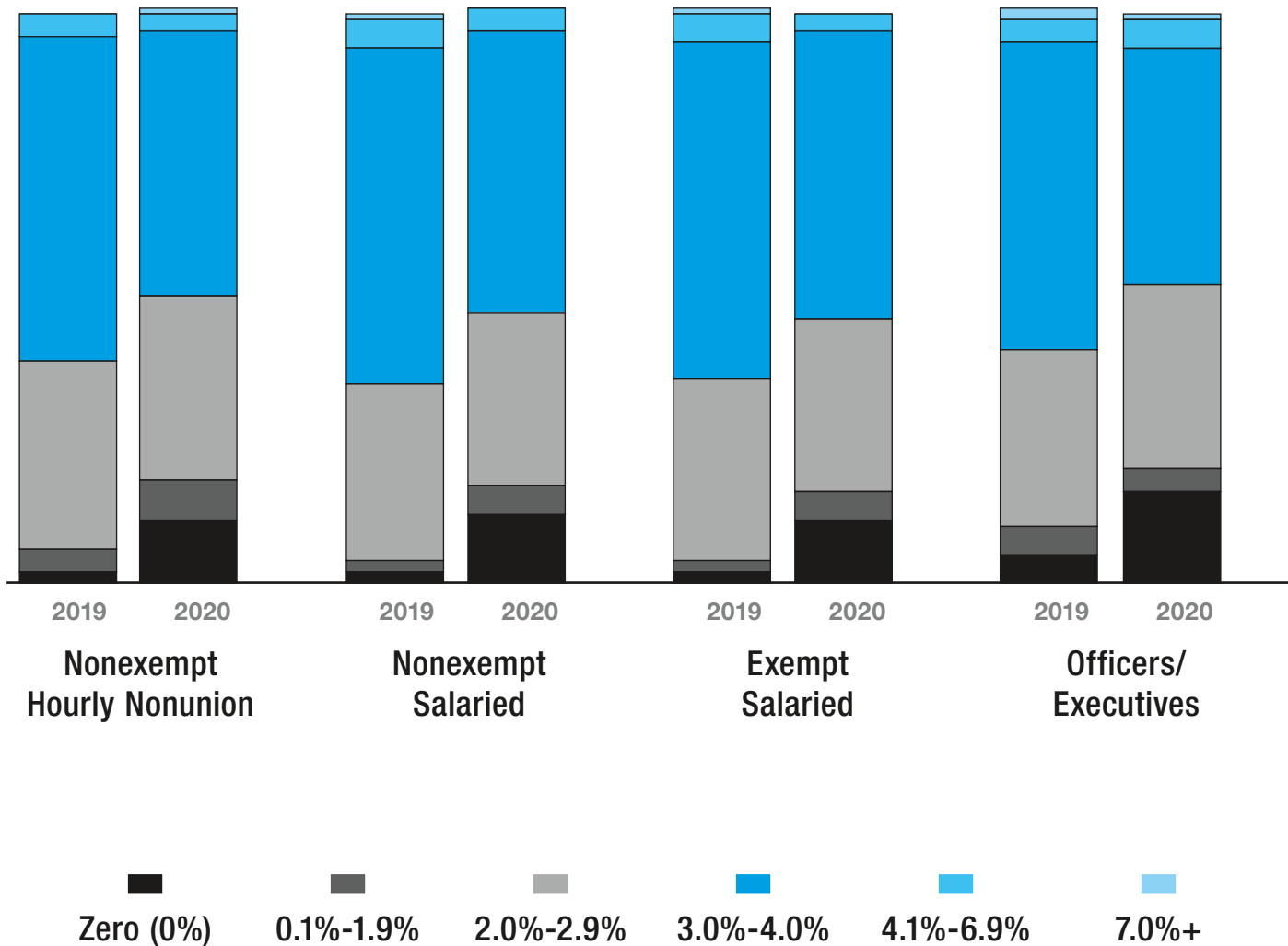
COMPENSATION PREVALENCE

FIGURE 34 Compensation Programs Used in Past 12 Months

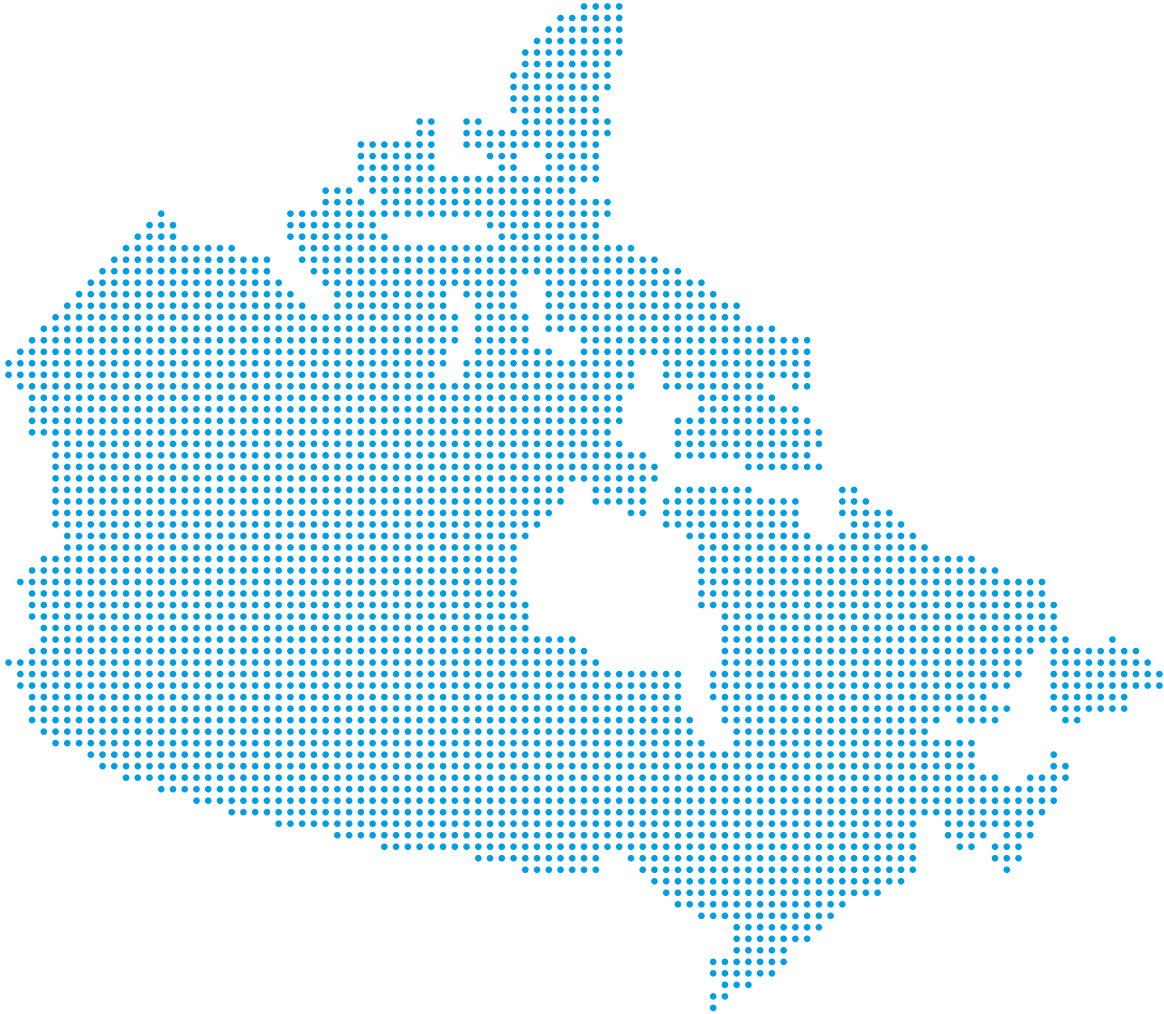
	2016	2017	2018	2019	2020
	(n=1,922)	(n=1,735)	(n=1,833)	(n=1,836)	(n=1,625)
Sign-on/hiring bonus	73%	75%	74%	77%	75%
Market adjustments/increase to base salary	76%	79%	79%	79%	73%
Employee referral bonus	66%	69%	70%	73%	69%
Spot bonus (individual)	54%	57%	55%	55%	55%
Retention/stay bonus	52%	53%	54%	55%	54%
Noncash recognition and rewards	50%	51%	50%	52%	50%
Paying above market	32%	33%	35%	36%	30%
Stock grant programs	29%	30%	28%	29%	29%
Project milestone/completion bonus	26%	25%	26%	26%	24%
Separate salary structures	23%	23%	23%	26%	23%
Special cash bonus/group incentives	20%	20%	22%	22%	21%
Exempt overtime pay or time off	20%	23%	22%	22%	21%
Stock option program	19%	20%	18%	18%	16%
Larger merit increase budgets	8%	8%	10%	12%	7%

Canadian Distribution of Total Salary Budget Increase Responses

Actual 2019 vs. Actual 2020



Canada



The average Canadian total salary budget increase is 2.6% in 2020, a 0.4 percentage point decline from the 3.0% budgeted last year and projected for this year. After several years of growth, this reflects a decline in the increase budget for the first time since 2015. But growth is projected again next year, rising to a projected 2.9%. (See Figure C1 on page 51.) The median figure of 3.0% has not changed since 2011.

EXECUTIVE SUMMARY

BRITISH COLUMBIA

2020
2.5%

ONTARIO

2020
2.5%

QUEBEC

2020
2.5%

Economic Influences

Inflation in Canada was at 0.7% for the 12-month period ending June 2020, according to Statistics Canada's Consumer Price Index. That agency also reported the average unemployment rate at 12.3% for the same 12-month period, 6.6 percentage points higher than in 2019.

Regional Data

All Canadian provinces experienced drops in average salary increase budgets as compared to 2019, with Alberta and Saskatchewan (both at 2.3%), Northwest Territories (2.1%), Nunavut (2.2%) and Yukon (2.0%) experiencing the most profound falls. Recoveries to the provinces' salary budgets are anticipated, with the exception of another 0.1 percentage point drop for both the Northwest Territories and Nunavut, and Prince Edward Island declining by 0.3 percentage point in 2021.

Similarly, major metropolitan areas reported several movements in average and median salary increase budgets for this year, with Hamilton (0.7 percentage point to 2.0%) and Quebec City (0.5 percentage point to 2.3%) experiencing the largest drops. All Canadian cities are expecting to rebound in 2021, with Quebec City seeking the greatest increase budget growth to 4.6%, doubling its 2020 salary budget increase.

Organization Size Data

In 2020, reported average salary budget increases are greater for small employers (1-499 employees) at 3.1%. (See Figures C10 and C11 on pages 56 and 57.) Those questions yielded a variance in sample sizes, and data corresponding to smaller sample sizes will not have strong statistical power and validity. Caution should be used when interpreting these demographic results.

Salary Structure Adjustments

Salary structure adjustments across all employee categories averaged 1.7% (median: 2.0%) in 2020, a 0.3 percentage point decline from 2019 (median: 2.0%). Organizations are projecting the same overall salary structure adjustment in 2021 holding steady at 1.7% (median: 2.0%).

SALARY BUDGET INCREASES

FIGURE C1 Salary Budget Increases, by Type of Increase

	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
General Increase/COLA	1.4% (n=159)	1.5%	1.7% (n=206)	2.0%	1.6% (n=206)	2.0%	1.3% (n=200)	1.5%	1.4% (n=146)	1.7%
Merit Increase	2.6% (n=1,233)	2.8%	2.7% (n=1,331)	3.0%	2.7% (n=1331)	3.0%	2.4% (n=1,264)	2.8%	2.8% (n=1,105)	3.0%
Other Increase	0.9% (n=362)	0.5%	0.9% (n=359)	0.5%	0.7% (n=359)	0.5%	0.9% (n=345)	0.5%	0.9% (n=276)	0.5%
Total Increase	2.9% (n=1,325)	3.0%	3.0% (n=1,433)	3.0%	3.0% (n=1,433)	3.0%	2.6% (n=1,373)	3.0%	2.9% (n=1,196)	3.0%

Note: "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase. The n's represent the number of responses for each type of increase, which may include multiple responses if each respondent reports for more than one employee category for that type of increase.

FIGURE C2 Total Salary Budget Increases, by Employee Category

Salary Budget Increases (zeros included)

	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonmanagement Hourly Nonunion	2.8%	3.0%	2.9%	3.0%	2.9%	3.0%	2.6%	3.0%	2.7%	3.0%
Nonmanagement Salaried	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%	3.0%	3.0%
Management Salaried	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%	3.0%	3.0%
Officers/Executives	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%	2.5%	2.9%	3.0%	2.9%
All	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%	2.9%	3.0%

Salary Budget Increases (zeros not included)

	Actual 2018		Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonmanagement Hourly Nonunion	2.9%	3.0%	2.9%	3.0%	3.0%	3.0%	2.9%	3.0%	2.9%	3.0%
Nonmanagement Salaried	2.9%	3.0%	3.1%	3.0%	3.1%	3.0%	2.9%	3.0%	3.2%	3.0%
Management Salaried	2.9%	3.0%	3.1%	3.0%	3.1%	3.0%	2.9%	3.0%	3.2%	3.0%
Officers/Executives	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.3%	3.0%
All	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.9%	3.0%	3.2%	3.0%

SALARY BUDGET INCREASES

FIGURE C3 Number of Months Between Increases

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonmanagement Hourly Nonunion	11.9	12.0	11.9	12.0	12.1	12.0	12.3	12.0
Nonmanagement Salaried	12.1	12.0	12.2	12.0	12.3	12.0	12.6	12.0
Management Salaried	12.2	12.0	12.3	12.0	12.3	12.0	12.7	12.0
Officers/Executives	12.5	12.0	12.6	12.0	12.4	12.0	12.8	12.0
All	12.2	12.0	12.2	12.0	12.3	12.0	12.6	12.0

FIGURE C4 Distribution of Total Salary Budget Increase Responses, Actual 2019 vs. Actual 2020

	Zero (0%)		0.1%-1.9%		2.0%-2.9%		3.0%-4.0%		4.1%-6.9%		7.0%+	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Nonmanagement Hourly Nonunion	2%	11%	4%	7%	33%	32%	57%	46%	4%	3%	0%	1%
Nonmanagement Salaried	2%	12%	2%	5%	31%	30%	59%	49%	5%	4%	1%	<1%
Management Salaried	2%	11%	2%	5%	32%	30%	59%	50%	5%	3%	1%	<1%
Officers/Executives	5%	16%	5%	4%	31%	32%	54%	41%	4%	5%	2%	1%

SALARY BUDGET INCREASES

FIGURE C5 Salary Budget Trends

	Nonmanagement Hourly Nonunion	Nonmanagement Salaried	Management Salaried	Officers/Executives
1986	—	5.1%	5.6%	5.8%
1987	—	4.9%	5.1%	5.2%
1988	—	5.4%	5.8%	6.0%
1989	—	5.8%	5.9%	6.0%
1990	—	6.2%	6.3%	6.4%
1991	—	5.5%	5.5%	5.5%
1992	—	3.7%	3.6%	3.3%
1993	—	2.5%	2.4%	2.3%
1994	—	2.1%	2.1%	2.1%
1995	—	2.4%	2.3%	2.5%
1996	2.7%	3.0%	3.0%	3.3%
1997	2.8%	3.0%	3.0%	3.3%
1998	3.3%	3.7%	3.9%	4.1%
1999	3.1%	3.6%	3.7%	3.6%
2000	3.5%	3.8%	3.9%	4.1%
2001	3.5%	4.1%	4.2%	4.4%
2002	3.2%	3.5%	3.6%	3.8%
2003	3.2%	3.5%	3.5%	4.0%
2004	3.2%	3.4%	3.4%	3.7%
2005	3.4%	3.5%	3.4%	3.5%
2006	3.7%	3.8%	3.8%	4.0%
2007	3.6%	4.0%	4.0%	4.1%
2008	3.8%	3.8%	3.9%	3.9%
2009	2.5%	2.5%	2.4%	2.2%
2010	2.5%	2.6%	2.7%	2.6%
2011	2.9%	3.1%	3.0%	2.9%
2012	3.0%	3.0%	3.0%	3.0%
2013	2.9%	2.9%	3.0%	2.9%
2014	2.8%	3.0%	3.0%	3.0%
2015	2.8%	2.8%	2.8%	2.7%
2016	2.6%	2.7%	2.7%	2.6%
2017	2.7%	2.8%	2.8%	2.8%
2018	2.8%	2.9%	2.9%	2.9%
2019	2.9%	3.0%	3.0%	2.9%
2020	2.6%	2.6%	2.6%	2.5%
2021 Projected	2.7%	3.0%	3.0%	3.0%

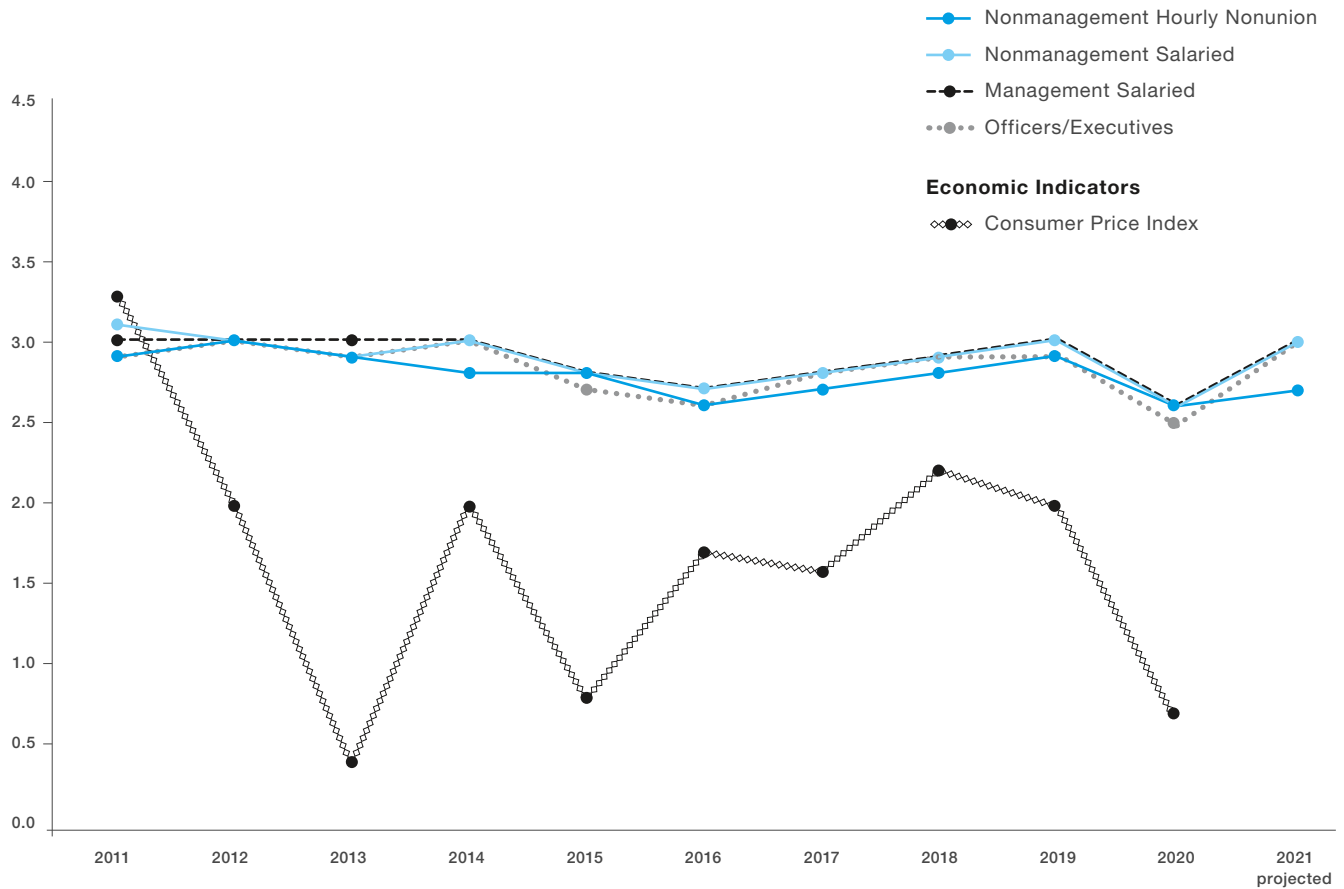
SALARY BUDGET INCREASES

FIGURE C6 10-Year Perspective: Salary Budget Increases and CPI

		Salary Budget Increases										
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Projected
●—	Nonmanagement Hourly Nonunion	2.9%	3.0%	2.9%	2.8%	2.8%	2.6%	2.7%	2.8%	2.9%	2.6%	2.7%
●—	Nonmanagement Salaried	3.1%	3.0%	2.9%	3.0%	2.8%	2.7%	2.8%	2.9%	3.0%	2.6%	3.0%
●—	Management Salaried	3.0%	3.0%	3.0%	3.0%	2.8%	2.7%	2.8%	2.9%	3.0%	2.6%	3.0%
●—	Officers/Executives	2.9%	3.0%	2.9%	3.0%	2.7%	2.6%	2.8%	2.9%	2.9%	2.5%	3.0%

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Projected
◇—◇	Consumer Price Index (CPI)	3.3%	2.0%	0.4%	2.0%	0.8%	1.7%	1.6%	2.2%	2.0%	0.7%	—

Note: Canadian CPI as reported by Statistics Canada for the 12 months ending June 2020 (www.statcan.ca).



SALARY BUDGET INCREASES

FIGURE C7 Total Salary Budget Increases, by Province

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
National	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%	2.9%	3.0%
Alberta	2.8%	3.0%	2.8%	3.0%	2.3%	2.5%	2.5%	2.7%
British Columbia	2.9%	3.0%	2.9%	3.0%	2.5%	2.8%	2.6%	2.9%
Manitoba	2.8%	3.0%	2.9%	3.0%	2.4%	2.5%	2.6%	2.5%
New Brunswick	2.7%	3.0%	2.8%	3.0%	2.3%	2.5%	2.4%	2.5%
Newfoundland	2.7%	3.0%	2.8%	3.0%	2.4%	2.5%	2.7%	2.5%
Northwest Territories	2.7%	3.0%	2.8%	3.0%	2.1%	2.5%	2.0%	2.0%
Nova Scotia	2.8%	3.0%	2.8%	3.0%	2.4%	2.5%	2.5%	2.5%
Nunavut	2.7%	3.0%	2.7%	3.0%	2.2%	2.5%	2.1%	2.3%
Ontario	2.9%	3.0%	2.9%	3.0%	2.5%	3.0%	3.1%	3.0%
Prince Edward Island	2.6%	2.7%	2.7%	3.0%	2.5%	2.5%	2.2%	2.4%
Quebec	2.8%	3.0%	2.8%	3.0%	2.5%	2.8%	2.7%	3.0%
Saskatchewan	2.8%	3.0%	2.8%	3.0%	2.3%	2.5%	2.4%	2.5%
Yukon	2.5%	2.4%	2.7%	2.8%	2.0%	2.3%	2.1%	2.0%

FIGURE C8 Total Salary Budget Increases, by Major Metropolitan Area

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
National	3.0%	3.0%	3.0%	3.0%	2.6%	3.0%	2.9%	3.0%
Calgary	2.7%	3.0%	2.7%	3.0%	2.3%	2.5%	2.5%	2.5%
Edmonton	2.7%	3.0%	2.7%	3.0%	2.5%	2.5%	2.6%	2.5%
Hamilton	2.7%	2.8%	2.8%	3.0%	2.0%	2.5%	2.4%	2.5%
Montreal	2.8%	3.0%	2.9%	3.0%	2.4%	2.6%	2.6%	2.5%
Ottawa	2.7%	2.8%	2.8%	3.0%	2.6%	2.7%	2.9%	2.5%
Quebec	2.8%	3.0%	2.8%	3.0%	2.3%	2.5%	4.6%	2.5%
Toronto	3.0%	3.0%	3.0%	3.0%	2.6%	2.9%	3.4%	3.0%
Vancouver	2.9%	3.0%	2.9%	3.0%	2.6%	2.8%	2.8%	2.5%
Winnipeg	2.6%	2.8%	2.6%	3.0%	2.2%	2.5%	2.4%	2.5%

SALARY BUDGET INCREASES

FIGURE C9 Total Salary Budget Increases, by Major Industry Grouping

	Actual 2020		Projected 2021	
	Mean	Median	Mean	Median
All Industries	2.6%	3.0%	2.9%	3.0%
Accommodation and Food Services	3.1%	3.0%	2.9%	3.0%
Administrative and Support and Waste Management and Remediation Services	2.5%	2.1%	2.8%	2.5%
Agriculture, Forestry, Fishing and Hunting	-	-	-	-
Arts, Entertainment & Recreation	-	-	-	-
Construction	3.2%	3.0%	3.0%	3.0%
Educational Services	1.8%	1.5%	2.2%	2.5%
Finance and Insurance	2.5%	2.7%	2.4%	2.5%
Health Care and Social Assistance	1.8%	2.3%	2.5%	2.5%
Information	2.4%	2.8%	3.0%	3.0%
Manufacturing	2.5%	3.0%	2.8%	3.0%
Mining, Quarrying, and Oil and Gas Extraction	2.1%	2.5%	1.8%	2.0%
Professional, Scientific, and Technical Services (includes Consulting)	2.7%	3.0%	2.9%	3.0%
Public Administration	-	-	-	-
Real Estate and Rental and Leasing	2.7%	3.0%	2.7%	3.0%
Retail Trade	2.4%	3.0%	2.4%	3.0%
Telecommunications	2.7%	2.5%	2.6%	2.5%
Transportation and Warehousing	2.2%	2.7%	1.9%	2.4%
Utilities	2.5%	2.5%	2.6%	3.0%
Wholesale Trade	4.3%	3.0%	4.3%	3.0%
Other Services (except Public Administration)	-	-	-	-

– Fewer than 5 responses.

FIGURE C10 Total Salary Budget Increases, by Organization Size

Number of Employees	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
1-499	3.3%	3.0%	3.0%	3.0%	3.1%	3.0%	2.7%	3.0%
500-2,499	3.1%	3.0%	3.1%	3.0%	2.6%	3.0%	2.5%	2.7%
2,500-9,999	2.9%	3.0%	2.9%	3.0%	2.7%	3.0%	2.9%	3.0%
10,000-19,999	2.9%	3.0%	3.0%	3.0%	2.5%	3.0%	2.7%	3.0%
20,000+	2.9%	3.0%	3.0%	3.0%	2.4%	2.7%	3.7%	2.9%

SALARY BUDGET INCREASES

FIGURE C11 Total Salary Budget Increases, by Revenue

2019 Revenue	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Up to \$30 million	3.0%	3.0%	2.8%	2.6%	2.6%	2.9%	2.4%	2.9%
More than \$30 million to \$100 million	3.6%	3.0%	3.7%	3.0%	2.5%	2.5%	2.7%	2.5%
More than \$100 million to \$300 million	3.0%	3.0%	3.0%	3.0%	2.8%	3.0%	2.5%	3.0%
More than \$300 million to \$600 million	2.9%	3.0%	2.9%	3.0%	2.4%	2.8%	2.6%	2.5%
More than \$600 million to \$1 billion	2.9%	3.0%	3.0%	3.0%	2.4%	2.6%	2.4%	2.5%
More than \$1 billion to \$3 billion	2.9%	3.0%	3.0%	3.0%	2.6%	3.0%	2.8%	3.0%
More than \$3 billion to \$5 billion	3.2%	3.0%	3.2%	3.0%	2.7%	3.0%	2.9%	3.0%
More than \$5 billion to \$8 billion	2.8%	3.0%	2.7%	3.0%	3.1%	3.0%	3.1%	3.0%
More than \$8 billion to \$10 billion	3.0%	3.0%	3.1%	3.0%	2.9%	3.0%	2.7%	3.0%
More than \$10 billion	2.8%	3.0%	2.8%	3.0%	2.3%	2.6%	3.9%	2.9%

SALARY STRUCTURE ADJUSTMENTS

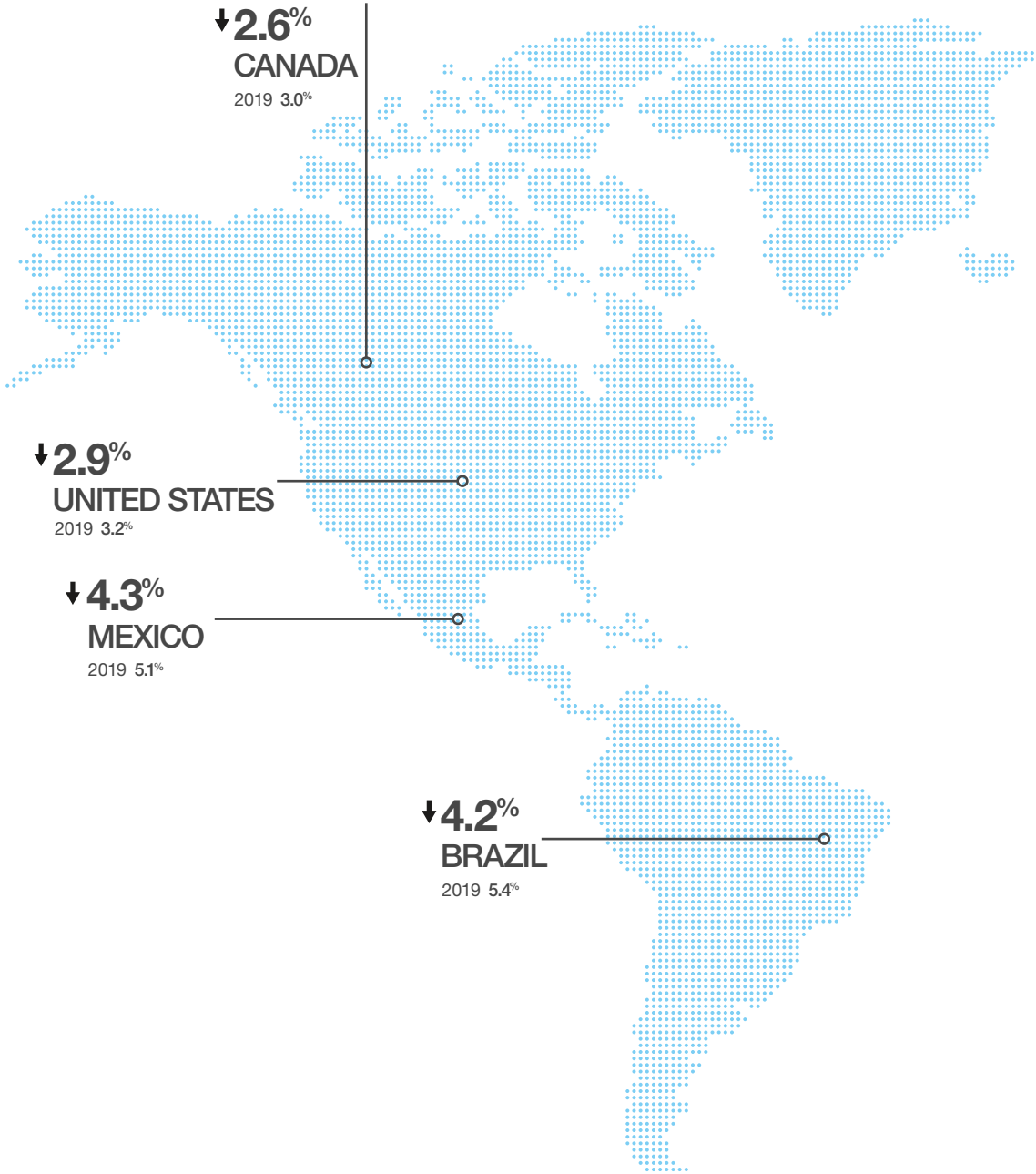
FIGURE C12 Salary Structure Increases, by Employee Category

	Actual 2019		Projected 2020		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Nonmanagement Hourly Nonunion	2.0%	2.0%	2.1%	2.0%	1.6%	2.0%	1.8%	2.0%
	(n=167)		(n=142)		(n=157)		(n=140)	
Nonmanagement Salaried	2.0%	2.0%	2.1%	2.0%	1.7%	2.0%	1.8%	2.0%
	(n=278)		(n=238)		(n=270)		(n=231)	
Management Salaried	2.0%	2.0%	2.1%	2.0%	1.7%	2.0%	1.8%	2.0%
	(n=294)		(n=250)		(n=279)		(n=250)	
Officers/Executives	2.1%	2.0%	2.1%	2.0%	1.7%	2.0%	1.6%	2.0%
	(n=165)		(n=140)		(n=149)		(n=139)	
All	2.0%	2.0%	2.1%	2.0%	1.7%	2.0%	1.7%	2.0%
	(n=904)		(n=770)		(n=855)		(n=760)	

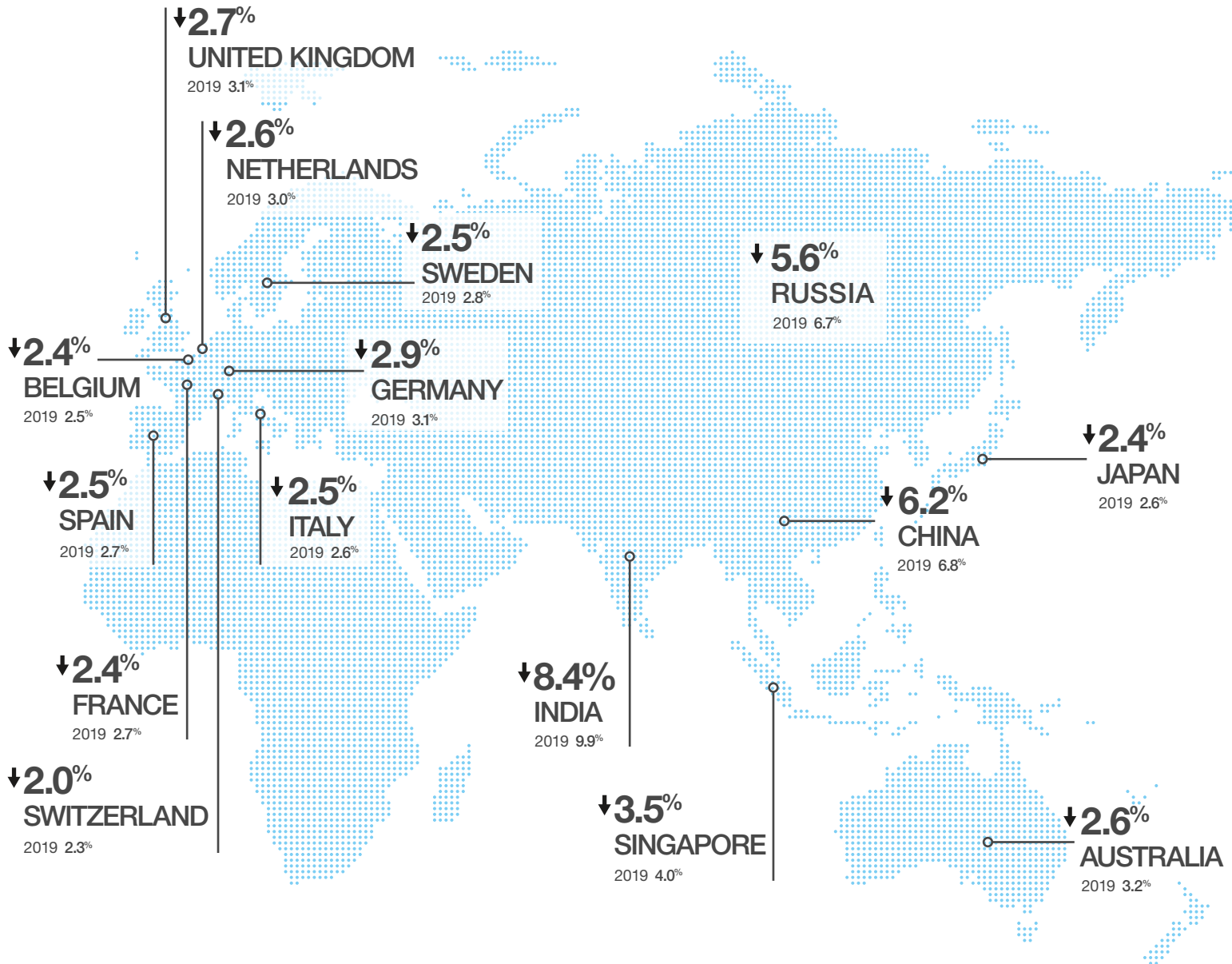
FIGURE C13 Number of Months Since Last Salary Structure Increase if No Increase Was Reported (0% or Blank)

	n	Mean	Median
Nonmanagement Hourly Nonunion	38	19.0	12.0
Nonmanagement Salaried	62	20.0	15.0
Management Salaried	60	21.0	18.0
Officers/Executives	39	22.0	18.0

EXECUTIVE SUMMARY



Global



International Salary Budget Increases

All countries reported drops in salary increase budgets for 2020 with great variability from country to country, as average declines ranged from -1.5 to -0.1 percentage point changes.

India saw the largest swing, dropping from 9.9% (median: 10.0%) in 2019 to 8.4% (median: 10.0%) this year. Following closely behind, Brazil's gradual decline since 2017 took a sharp drop in its growth rate this year, falling 1.2 percentage points to 4.2% (median: 4.9%). Russia fell 1.1 percentage points to 5.6% (median: 6.5%).

EXECUTIVE SUMMARY

The “WorldatWork Salary Budget Survey” has historically collected, analyzed and reported salary budget increase data for the United States and Canada. Strategic Rewards Group’s merit and inflation survey has also been republished in the Salary Budget Survey for years, addressing the demand for international data for 70 countries. Increasingly though, U.S.-based organizations, interested in benchmarking global pay practices, have sought data that mirror WorldatWork’s types of data and employee categories.

WorldatWork now reports core salary budget increase data for 17 countries in addition to the United States and Canada, an expansion effort that began in 2012. Secondary data, such as salary structure adjustments and variable pay budgets, are gathered only from U.S. organizations.

This year, 2,594 responses were received for the surveyed countries outside of the United States and Canada.

There are 19 countries for which both WorldatWork and Strategic Rewards Group data are presented:

- Australia
- Belgium
- Brazil
- Canada
- China
- France
- Germany
- India
- Italy
- Japan
- Mexico
- Netherlands
- Russia
- Singapore
- Spain
- Sweden
- Switzerland
- United Kingdom
- United States

LARGEST SALARY INCREASE BUDGET IN 2020

INDIA
8.4%

Despite the severity of COVID-19 pandemic in Italy, the country showed the lowest decline in salary budget increases, with a slight shift from 2.6% in 2019 to 2.5% in 2020.

While several countries project from 0.1 to 0.3 percentage point increases in 2021, Italy and Spain anticipate their budgets will remain unchanged and Belgium and Japan expect a 0.1 percentage point further decline. A handful of countries are looking to climb next year, with China, India, Mexico and Russia reporting from 0.4 to 0.6 percentage point increases.

Mandatory Pay Increases

One important consideration to salary budget planning is country-required pay increases. Mandatory pay increases do not necessarily inflate salary increase budgets if the size of the planned pay increase meets the statutory or collective-bargaining requirement. Furthermore, data were collected by type of pay increase and survey respondents were not advised during participation to report mandatory pay increases. A mandatory pay increase may be included in the general increase/COLA, merit increase and/or other increase figures if applicable.

Data by Type of Pay Increase

While merit budgets remain the largest type of increase, general increase/COLA budgets have seen significant movement again in 2020. Nine countries experienced shifts of 0.5 to 1.3 percentage point falls this year, with Singapore (-1.3%), Brazil (-1.1%), China (-1.1%) and Australia (-1.0%), and having the greatest decrease of general increase/COLA budgets. For India though, the general increase/COLA budget has risen by a 0.6 percentage point this year to 6.0%. (See Figures G1a and G1b on pages 64-67.)

Data by Employee Category

International data gathered by WorldatWork were aggregated using WorldatWork’s collection method to report salary budget increases by employee category. Most countries show fairly minor differences when comparing data by employee category, with the exception of China, which saw the most dramatic differences between nonhourly/nonunion workers (mean: 6.9%) and officers/executives (mean: 5.5%) in 2020. (See Figures G2a and G2b on pages 69-72.)

EXECUTIVE SUMMARY

Notes about International Data

Discrepancies can occur between the Strategic Rewards Group's merit and inflation survey, which for years has been published within the Salary Budget Survey, and WorldatWork data. Those discrepancies are due to differences in methodologies, particularly the handling of zero-percent responses, as well as differences in sample sizes. As a default, WorldatWork includes zero-percent responses in the analysis of all data; Strategic Rewards Group excludes zero-percent responses. In order to allow for easier comparison of all international data contained in this report, WorldatWork's international tables are presented both with and without zero-percent responses.

For the best comparison between WorldatWork and Strategic Rewards Group, please compare the general increase/ COLA and merit increase rows of Figure G1b through Figure G4. In Figure G4, the planned increase average columns include both the average merit increase and the average inflation-based pay increase. (Please see Methodology section on page 7 and the notes after Figure G4 on page 77 for future explanation.)

While WorldatWork reports aggregated data for as few as five organizations within a country, data corresponding to larger sample sizes will have stronger statistical power and validity. Some caution should be exercised when using data points contained in this report that have been aggregated from relatively few respondents.

This lack of differentiation for some categories may be due to U.S.-based respondents submitting the same value for all employee categories because they have limited access to international budget figures for their organization. WorldatWork continues to monitor this data for any trends.

Notes about International Data

Discrepancies can occur between the Strategic Rewards Group's merit and inflation survey, which for years has been published within the Salary Budget Survey, and WorldatWork data. Those discrepancies are due to differences in methodologies, particularly the handling of zero-percent responses, as well as differences in sample sizes. As a default, WorldatWork includes zero-percent responses in the analysis of all data; Strategic Rewards Group excludes zero-percent responses. In order to allow for easier comparison of all international data contained in this report, WorldatWork's international tables are presented both with and without zero-percent responses.

For the best comparison between WorldatWork and Strategic Rewards Group, please compare the general increase/COLA and merit increase rows of Figure G1b through

Figure G4. In Figure G4, the planned increase average columns include both the average merit increase and the average inflation-based pay increase. (Please see Methodology section on page 7 and the notes after Figure G4 on page 75 for future explanation.)

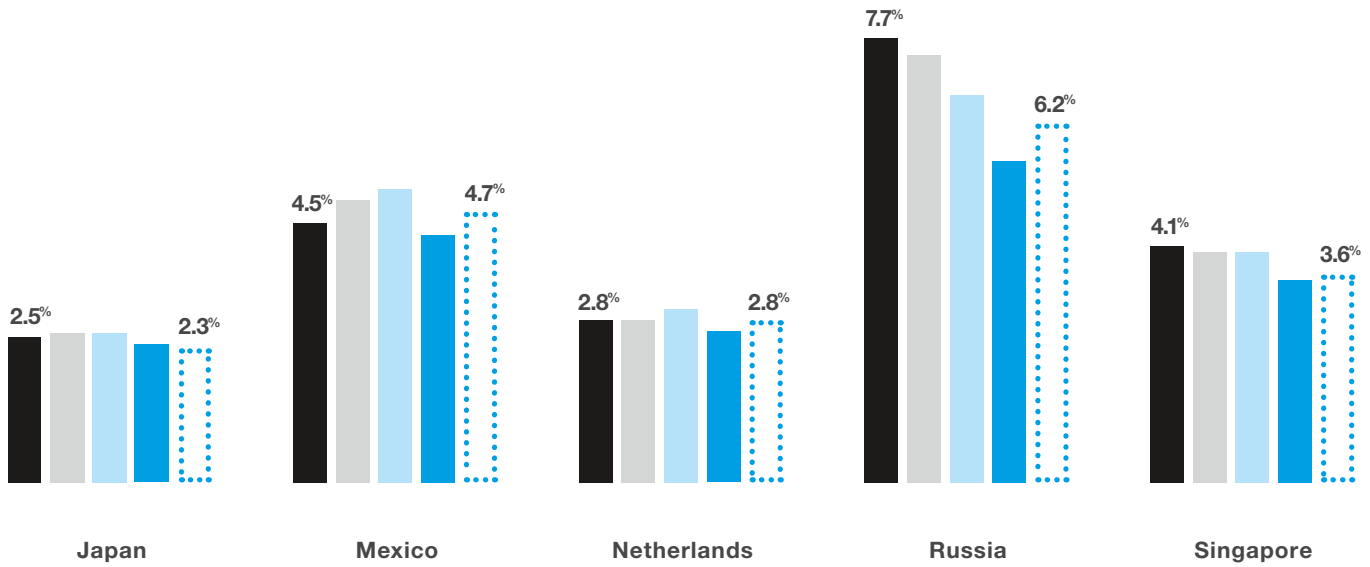
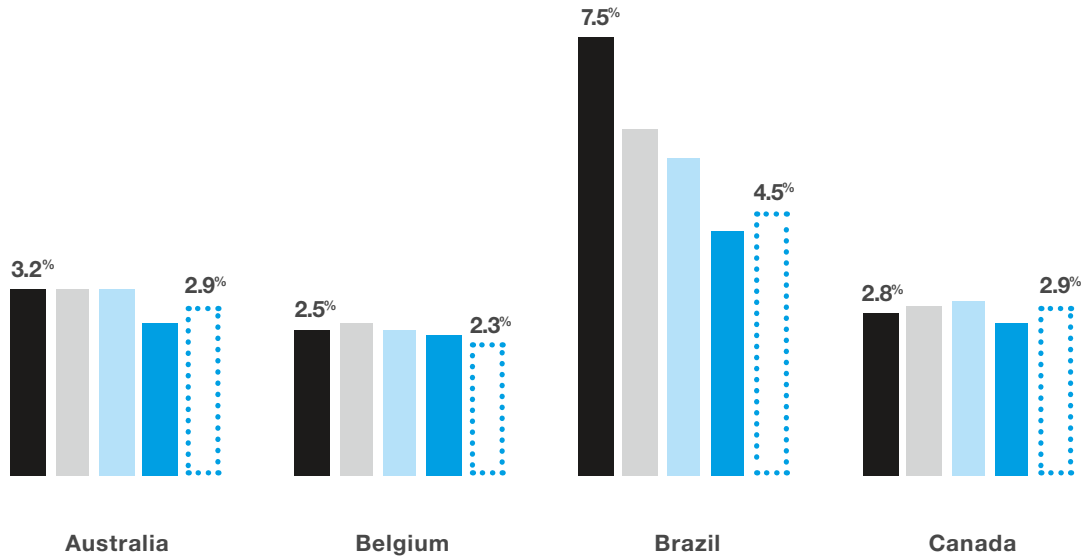
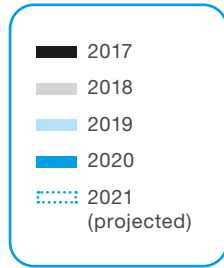
While WorldatWork reports aggregated data for as few as five organizations within a country, data corresponding to larger sample sizes will have stronger statistical power and validity. Some caution should be exercised when using data points contained in this report that have been aggregated from relatively few respondents.

Unlimited, customized reports for the United States and Canada can be run through the "Online Reporting Tool." (See page 79 for instructions.) In 2020, WorldatWork did not receive enough responses from any other country to support user-customized cuts of data from an online database. WorldatWork hopes to increase the number for all countries to expand the coverage of the "Online Reporting Tool."

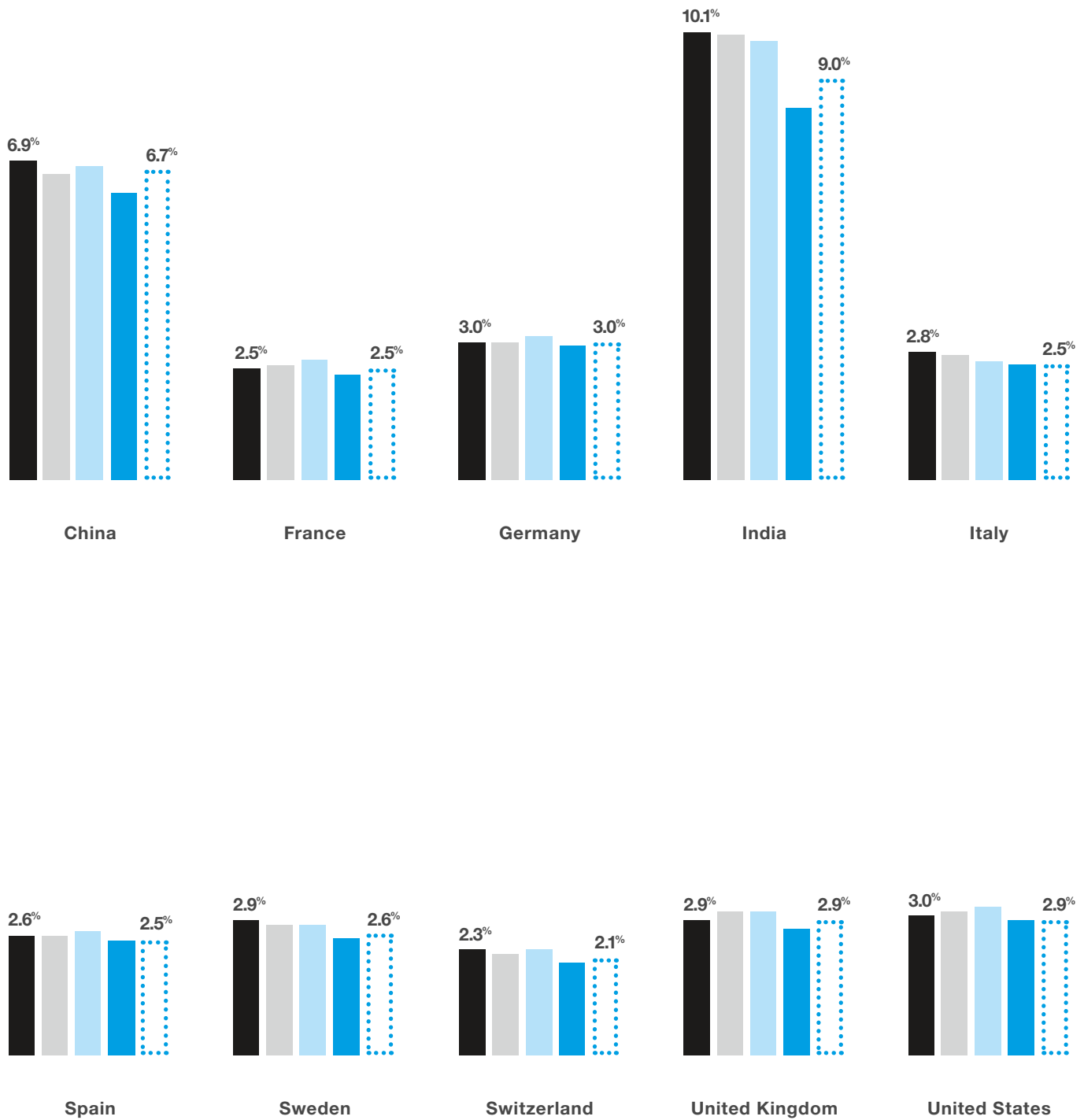
GLOBAL TOTAL SALARY BUDGET INCREASE TRENDS

GLOBAL

Global Total Salary Budget Increase Trends



GLOBAL TOTAL SALARY BUDGET INCREASE TRENDS



SALARY BUDGET INCREASES

FIGURE G1 Number of 2020 Salary Budget Increase Responses, by Country

	General Increase/ COLA	Merit Increase	Other Increase	Total Increase
Australia	43	467	139	490
Belgium	55	203	78	229
Brazil	97	313	98	357
Canada	200	1,264	345	1,373
China	51	507	130	524
France	39	428	121	452
Germany	37	488	121	510
India	30	451	114	467
Italy	45	325	85	337
Japan	11	333	90	339
Mexico	56	453	124	475
Netherlands	47	303	89	328
Russia	14	177	54	185
Singapore	19	382	90	393
Spain	35	323	90	335
Sweden	16	173	54	179
Switzerland	11	252	70	262
United Kingdom	52	770	199	807
United States	886	4,784	1,439	5,179

FIGURE G1A Salary Budget Increases, by Type of Increase (zeros included)

Type of Increase	Actual 2019		Actual 2020		Projected 2021		
	Mean	Median	Mean	Median	Mean	Median	
Australia	General Increase/COLA	2.3%	2.6%	1.3%	1.0%	1.4%	2.0%
	Merit Increase	2.9%	3.0%	2.4%	3.0%	2.7%	3.0%
	Other Increase	0.9%	0.5%	0.7%	0.6%	0.8%	0.5%
	Total Increase	3.2%	3.0%	2.6%	3.0%	2.9%	3.0%
Belgium	General Increase/COLA	1.8%	2.0%	1.3%	1.0%	1.2%	1.0%
	Merit Increase	1.8%	2.3%	2.0%	2.3%	2.0%	2.2%
	Other Increase	1.0%	0.7%	0.9%	0.8%	0.8%	0.5%
	Total Increase	2.5%	2.5%	2.4%	2.5%	2.3%	2.5%
Brazil	General Increase/COLA	4.0%	4.2%	2.9%	3.0%	3.0%	3.0%
	Merit Increase	4.2%	4.0%	3.4%	3.4%	3.7%	3.5%
	Other Increase	2.0%	1.0%	1.5%	1.0%	1.5%	1.0%
	Total Increase	5.4%	5.5%	4.2%	4.9%	4.5%	5.0%

(Continued on page 65)

SALARY BUDGET INCREASES

FIGURE G1A Salary Budget Increases, by Type of Increase (zeros included) (continued)

	Type of Increase	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Canada	General Increase/COLA	1.7%	2.0%	1.3%	1.5%	1.4%	1.7%
	Merit Increase	2.7%	3.0%	2.4%	2.8%	2.8%	3.0%
	Other Increase	0.9%	0.5%	0.9%	0.5%	0.9%	0.5%
	Total Increase	3.0%	3.0%	2.6%	3.0%	2.9%	3.0%
China	General Increase/COLA	3.9%	5.0%	2.8%	3.0%	2.8%	3.0%
	Merit Increase	6.2%	6.5%	5.9%	6.2%	6.4%	6.3%
	Other Increase	1.1%	1.0%	0.9%	1.0%	0.9%	1.0%
	Total Increase	6.8%	6.8%	6.2%	6.5%	6.7%	6.5%
France	General Increase/COLA	1.6%	1.8%	1.0%	1.0%	1.2%	1.0%
	Merit Increase	2.4%	2.5%	2.2%	2.5%	2.3%	2.5%
	Other Increase	0.8%	0.5%	0.6%	0.5%	0.6%	0.5%
	Total Increase	2.7%	2.5%	2.4%	2.5%	2.5%	2.5%
Germany	General Increase/COLA	2.1%	2.5%	1.7%	2.0%	2.0%	2.0%
	Merit Increase	2.9%	3.0%	2.7%	3.0%	2.8%	3.0%
	Other Increase	0.8%	0.5%	0.7%	0.5%	0.7%	0.5%
	Total Increase	3.1%	3.0%	2.9%	3.0%	3.0%	3.0%
India	General Increase/COLA	5.4%	7.0%	6.0%	8.5%	6.1%	8.0%
	Merit Increase	9.6%	10.0%	8.1%	9.6%	8.7%	10.0%
	Other Increase	1.4%	1.0%	1.1%	1.0%	1.1%	1.0%
	Total Increase	9.9%	10.0%	8.4%	10.0%	9.0%	10.0%
Italy	General Increase/COLA	1.3%	1.0%	1.3%	1.0%	1.4%	1.1%
	Merit Increase	2.4%	2.5%	2.3%	2.5%	2.3%	2.5%
	Other Increase	0.7%	0.5%	0.6%	0.5%	0.6%	0.5%
	Total Increase	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
Japan	General Increase/COLA*	1.7%	2.0%	2.0%	2.3%	1.6%	2.3%
	Merit Increase	2.4%	2.5%	2.2%	2.5%	2.2%	2.4%
	Other Increase	0.7%	0.5%	0.6%	0.5%	0.5%	0.5%
	Total Increase	2.6%	2.5%	2.4%	2.5%	2.3%	2.5%
Mexico	General Increase/COLA	3.2%	4.0%	2.7%	3.0%	3.4%	4.5%
	Merit Increase	4.8%	5.0%	3.9%	5.0%	4.3%	5.0%
	Other Increase	0.9%	0.8%	0.8%	0.5%	0.9%	0.5%
	Total Increase	5.1%	5.0%	4.3%	5.0%	4.7%	5.0%
Netherlands	General Increase/COLA	2.0%	2.5%	1.7%	1.9%	2.0%	2.0%
	Merit Increase	2.6%	2.8%	2.3%	2.7%	2.5%	2.8%
	Other Increase	0.8%	0.5%	0.7%	0.5%	0.7%	0.5%
	Total Increase	3.0%	2.9%	2.6%	2.8%	2.8%	2.9%

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SALARY BUDGET INCREASES

FIGURE G1A Salary Budget Increases, by Type of Increase (zeros included) (continued)

	Type of Increase	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Russia	General Increase/COLA*	3.1%	3.5%	3.4%	4.0%	3.2%	3.5%
	Merit Increase	6.4%	7.0%	5.3%	6.4%	6.0%	7.0%
	Other Increase	1.0%	1.0%	0.8%	1.0%	0.8%	1.0%
	Total Increase	6.7%	7.0%	5.6%	6.5%	6.2%	7.0%
Singapore	General Increase/COLA*	3.1%	3.5%	1.8%	2.0%	2.2%	2.8%
	Merit Increase	3.8%	4.0%	3.3%	4.0%	3.5%	4.0%
	Other Increase	0.8%	0.6%	0.8%	0.5%	0.7%	0.5%
	Total Increase	4.0%	4.0%	3.5%	4.0%	3.6%	4.0%
Spain	General Increase/COLA	1.4%	1.7%	1.6%	1.5%	1.6%	1.5%
	Merit Increase	2.4%	2.5%	2.2%	2.4%	2.3%	2.5%
	Other Increase	0.7%	0.5%	0.9%	0.5%	0.6%	0.5%
	Total Increase	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Sweden	General Increase/COLA*	1.4%	2.0%	1.1%	1.0%	1.8%	1.7%
	Merit Increase	2.6%	2.7%	2.3%	2.6%	2.4%	2.5%
	Other Increase	0.8%	0.5%	0.6%	0.5%	0.6%	0.5%
	Total Increase	2.8%	2.8%	2.5%	2.6%	2.6%	2.6%
Switzerland	General Increase/COLA*	2.0%	2.0%	1.5%	1.5%	1.5%	1.0%
	Merit Increase	2.1%	2.0%	1.8%	2.0%	1.9%	2.0%
	Other Increase	0.6%	0.5%	0.7%	0.5%	0.6%	0.5%
	Total Increase	2.3%	2.2%	2.0%	2.0%	2.1%	2.0%
United Kingdom	General Increase/COLA	2.1%	2.5%	1.8%	2.1%	2.0%	2.4%
	Merit Increase	2.8%	3.0%	2.6%	3.0%	2.7%	3.0%
	Other Increase	0.8%	0.5%	0.8%	0.5%	0.7%	0.5%
	Total Increase	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
United States	General Increase/COLA	1.7%	2.0%	1.5%	1.9%	1.5%	2.0%
	Merit Increase	2.9%	3.0%	2.6%	3.0%	2.7%	3.0%
	Other Increase	0.9%	0.5%	0.8%	0.5%	0.9%	0.6%
	Total Increase	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%

Note: "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase. The n's represent the number of responses for each type of increase, which may include multiple responses if each respondent reports for more than one employee category for that type of increase.

*This data may represent a small sample size of fewer than 30 responses. Please refer to figure G1.

SALARY BUDGET INCREASES

FIGURE G1B Salary Budget Increases, by Type of Increase (zeros NOT included)

	Type of Increase	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Australia	General Increase/COLA	2.7%	2.8%	2.0%	2.3%	2.1%	2.0%
	Merit Increase	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%
	Other Increase	1.0%	0.6%	0.9%	0.9%	0.8%	0.7%
	Total Increase	3.2%	3.0%	3.0%	3.0%	3.1%	3.0%
Belgium	General Increase/COLA	1.9%	2.0%	1.3%	1.0%	1.2%	1.0%
	Merit Increase	1.9%	2.3%	2.1%	2.4%	2.1%	2.3%
	Other Increase	1.1%	0.8%	0.9%	0.8%	0.9%	1.0%
	Total Increase	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%
Brazil	General Increase/COLA	4.2%	4.5%	3.2%	3.5%	3.2%	3.3%
	Merit Increase	4.4%	4.0%	4.0%	4.0%	4.0%	4.1%
	Other Increase	2.1%	1.0%	1.7%	1.0%	1.7%	1.0%
	Total Increase	5.6%	5.7%	4.6%	5.0%	4.7%	5.0%
Canada	General Increase/COLA	2.1%	2.0%	2.1%	2.0%	1.9%	2.0%
	Merit Increase	2.8%	3.0%	2.7%	3.0%	3.0%	3.0%
	Other Increase	1.0%	0.5%	1.1%	0.7%	1.0%	0.5%
	Total Increase	3.0%	3.0%	2.9%	3.0%	3.2%	3.0%
China	General Increase/COLA	5.1%	6.0%	4.6%	4.0%	4.0%	3.5%
	Merit Increase	6.3%	6.5%	6.6%	6.5%	6.6%	6.5%
	Other Increase	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%
	Total Increase	6.8%	6.8%	6.8%	6.5%	6.9%	6.5%
France	General Increase/COLA	1.7%	1.8%	1.3%	1.3%	1.5%	1.5%
	Merit Increase	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%
	Other Increase	0.8%	0.5%	0.7%	0.5%	0.7%	0.5%
	Total Increase	2.8%	2.5%	2.6%	2.5%	2.6%	2.5%
Germany	General Increase/COLA	2.5%	2.5%	2.2%	2.0%	2.3%	2.0%
	Merit Increase	2.9%	3.0%	3.0%	3.0%	2.9%	3.0%
	Other Increase	0.8%	0.5%	0.8%	0.5%	0.7%	0.5%
	Total Increase	3.1%	3.0%	3.2%	3.0%	3.1%	3.0%
India	General Increase/COLA	7.8%	8.5%	7.8%	9.0%	7.4%	8.0%
	Merit Increase	9.6%	10.0%	9.3%	10.0%	9.0%	10.0%
	Other Increase	1.5%	1.0%	1.1%	1.0%	1.2%	1.0%
	Total Increase	10.0%	10.0%	9.4%	10.0%	9.3%	10.0%
Italy	General Increase/COLA	1.4%	1.1%	1.4%	1.1%	1.6%	1.1%
	Merit Increase	2.5%	2.5%	2.4%	2.5%	2.3%	2.5%
	Other Increase	0.7%	0.6%	0.7%	0.5%	0.7%	0.5%
	Total Increase	2.7%	2.5%	2.6%	2.5%	2.6%	2.5%
Japan	General Increase/COLA*	2.2%	2.2%	2.5%	2.5%	2.0%	2.4%
	Merit Increase	2.4%	2.5%	2.4%	2.5%	2.3%	2.4%
	Other Increase	0.8%	0.5%	0.6%	0.5%	0.6%	0.5%
	Total Increase	2.7%	2.5%	2.6%	2.5%	2.5%	2.5%

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SALARY BUDGET INCREASES

FIGURE G1B Salary Budget Increases, by Type of Increase (zeros NOT included) (continued)

	Type of Increase	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Mexico	General Increase/COLA	3.8%	4.3%	3.8%	4.0%	3.8%	4.5%
	Merit Increase	4.9%	5.0%	4.6%	5.0%	4.5%	5.0%
	Other Increase	1.0%	0.9%	1.0%	0.7%	1.0%	0.5%
	Total Increase	5.2%	5.0%	4.9%	5.0%	4.8%	5.0%
Netherlands	General Increase/COLA	2.5%	2.5%	1.9%	2.0%	2.1%	2.0%
	Merit Increase	2.7%	2.8%	2.6%	2.8%	2.6%	2.8%
	Other Increase	0.9%	0.5%	0.7%	0.5%	0.7%	0.5%
	Total Increase	3.0%	2.9%	2.8%	2.9%	2.9%	2.9%
Russia	General Increase/COLA*	3.5%	3.5%	3.7%	4.0%	3.5%	4.0%
	Merit Increase	6.5%	7.0%	6.2%	6.7%	6.2%	7.0%
	Other Increase	1.1%	1.0%	0.9%	1.0%	0.8%	1.0%
	Total Increase	6.8%	7.1%	6.4%	7.0%	6.5%	7.0%
Singapore	General Increase/COLA*	4.3%	3.8%	2.9%	3.3%	2.8%	2.8%
	Merit Increase	3.8%	4.0%	3.7%	4.0%	3.6%	4.0%
	Other Increase	0.9%	0.6%	0.9%	0.5%	0.7%	0.5%
	Total Increase	4.1%	4.0%	3.8%	4.0%	3.8%	4.0%
Spain	General Increase/COLA	1.7%	2.0%	2.1%	2.0%	2.1%	2.0%
	Merit Increase	2.4%	2.5%	2.3%	2.5%	2.4%	2.5%
	Other Increase	0.7%	0.5%	1.1%	0.6%	0.7%	0.5%
	Total Increase	2.7%	2.5%	2.7%	2.5%	2.6%	2.5%
Sweden	General Increase/COLA*	1.9%	2.0%	2.0%	2.2%	2.0%	2.0%
	Merit Increase	2.6%	2.7%	2.5%	2.6%	2.4%	2.6%
	Other Increase	0.8%	0.5%	0.6%	0.5%	0.6%	0.5%
	Total Increase	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%
Switzerland	General Increase/COLA*	2.0%	2.0%	1.7%	1.5%	1.5%	1.0%
	Merit Increase	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%
	Other Increase	0.7%	0.5%	0.7%	0.5%	0.6%	0.5%
	Total Increase	2.3%	2.2%	2.1%	2.0%	2.2%	2.0%
United Kingdom	General Increase/COLA	2.7%	2.8%	2.3%	2.5%	2.3%	2.5%
	Merit Increase	2.9%	3.0%	2.9%	3.0%	2.8%	3.0%
	Other Increase	0.8%	0.6%	0.8%	0.5%	0.7%	0.5%
	Total Increase	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
United States	General Increase/COLA	1.7%	2.0%	2.6%	2.5%	2.5%	2.8%
	Merit Increase	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%
	Other Increase	0.9%	0.5%	1.1%	1.0%	1.1%	1.0%
	Total Increase	3.2%	3.0%	3.2%	3.0%	3.1%	3.0%

Note: "General Increase/COLA," "Merit" and "Other" do not add to the "Total Increase" because not every organization provides all three types of increase. The n's represent the number of responses for each type of increase, which may include multiple responses if each respondent reports for more than one employee category for that type of increase.

*This data may represent a small sample size of fewer than 30 responses. Please refer to figure G1.

SALARY BUDGET INCREASES

FIGURE G2 Number of 2020 Total Salary Budget Increase Responses, by Employee Category

	NHN	NS	MS	OE	All
Australia	77	167	170	76	490
Belgium	33	85	87	24	229
Brazil	46	129	132	50	357
Canada	265	415	436	257	1,373
China	84	180	191	69	524
France	62	160	160	70	452
Germany	88	174	175	73	510
India	59	169	173	66	467
Italy	47	121	124	45	337
Japan	47	121	127	44	339
Mexico	85	168	171	51	475
Netherlands	49	118	121	40	328
Russia	25	71	73	16	185
Singapore	49	138	142	64	393
Spain	48	122	121	44	335
Sweden	26	68	67	18	179
Switzerland	32	95	95	40	262
United Kingdom	121	260	270	156	807
United States	1,377	665	1,654	1,483	5,179

FIGURE G2A Total Salary Budget Increases, by Employee Category (zeros included)

Employee Category	Actual 2019		Actual 2020		Projected 2021		
	Mean	Median	Mean	Median	Mean	Median	
Australia	NHN	3.1%	3.0%	2.6%	3.0%	2.9%	3.0%
	NS	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
	MS	3.1%	3.0%	2.6%	3.0%	2.9%	3.0%
	OE	3.4%	3.0%	2.6%	3.0%	2.9%	3.0%
	All	3.2%	3.0%	2.6%	3.0%	2.9%	3.0%
Belgium	NHN	2.5%	2.5%	2.4%	2.5%	2.2%	2.5%
	NS	2.5%	2.5%	2.3%	2.5%	2.3%	2.5%
	MS	2.5%	2.5%	2.4%	2.5%	2.4%	2.5%
	OE*	2.4%	2.5%	2.3%	2.5%	2.1%	2.3%
	All	2.5%	2.5%	2.4%	2.5%	2.3%	2.5%
Brazil	NHN	5.1%	5.3%	4.1%	4.3%	4.5%	5.0%
	NS	5.3%	5.5%	4.2%	4.8%	4.4%	4.9%
	MS	5.5%	5.5%	4.3%	4.9%	4.5%	5.0%
	OE	5.7%	5.9%	4.1%	5.0%	4.7%	5.0%
	All	5.4%	5.5%	4.2%	4.9%	4.5%	5.0%

NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

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SALARY BUDGET INCREASES

FIGURE G2A Total Salary Budget Increases, by Employee Category (zeros included) (continued)

Employee Category	Actual 2019		Actual 2020		Projected 2021		
	Mean	Median	Mean	Median	Mean	Median	
Canada	NHN	2.9%	3.0%	2.6%	3.0%	2.7%	3.0%
	NS	3.0%	3.0%	2.6%	3.0%	3.0%	3.0%
	MS	3.0%	3.0%	2.6%	3.0%	3.0%	3.0%
	OE	2.9%	3.0%	2.5%	2.9%	3.0%	2.9%
	All	3.0%	3.0%	2.6%	3.0%	2.9%	3.0%
China	NHN	6.9%	6.8%	6.9%	6.5%	7.4%	6.5%
	NS	6.8%	6.8%	6.1%	6.5%	6.7%	6.5%
	MS	6.7%	6.8%	6.2%	6.5%	6.7%	6.5%
	OE	6.6%	6.6%	5.5%	6.5%	5.7%	6.5%
	All	6.8%	6.8%	6.2%	6.5%	6.7%	6.5%
France	NHN	2.7%	2.5%	2.6%	2.5%	2.5%	2.5%
	NS	2.7%	2.5%	2.4%	2.5%	2.5%	2.5%
	MS	2.7%	2.5%	2.4%	2.5%	2.5%	2.5%
	OE	2.8%	2.5%	2.3%	2.5%	2.4%	2.5%
	All	2.7%	2.5%	2.4%	2.5%	2.5%	2.5%
Germany	NHN	3.2%	3.0%	2.8%	3.0%	3.0%	3.0%
	NS	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%
	MS	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%
	OE	3.1%	3.0%	3.3%	3.0%	3.2%	3.0%
	All	3.1%	3.0%	2.9%	3.0%	3.0%	3.0%
India	NHN	9.5%	10.0%	8.8%	10.0%	9.1%	10.0%
	NS	10.0%	10.0%	8.5%	10.0%	9.2%	10.0%
	MS	9.8%	10.0%	8.4%	10.0%	9.0%	10.0%
	OE	10.5%	10.0%	7.9%	10.0%	8.6%	10.0%
	All	9.9%	10.0%	8.4%	10.0%	9.0%	10.0%
Italy	NHN	2.6%	2.5%	2.6%	2.5%	2.5%	2.5%
	NS	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
	MS	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
	OE	2.5%	2.5%	2.4%	2.5%	2.4%	2.5%
	All	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
Japan	NHN	2.6%	2.5%	2.4%	2.5%	2.3%	2.5%
	NS	2.6%	2.5%	2.4%	2.5%	2.4%	2.5%
	MS	2.6%	2.5%	2.5%	2.5%	2.3%	2.5%
	OE	2.7%	2.5%	2.2%	2.5%	2.1%	2.3%
	All	2.6%	2.5%	2.4%	2.5%	2.3%	2.5%
Mexico	NHN	5.2%	5.0%	4.3%	5.0%	4.6%	5.0%
	NS	5.1%	5.0%	4.3%	5.0%	4.7%	5.0%
	MS	5.1%	5.0%	4.3%	5.0%	4.7%	5.0%
	OE	4.8%	5.0%	4.0%	5.0%	4.7%	5.0%
	All	5.1%	5.0%	4.3%	5.0%	4.7%	5.0%

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NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

SALARY BUDGET INCREASES

FIGURE G2A Total Salary Budget Increases, by Employee Category (zeros included) (continued)

Employee Category	Actual 2019		Actual 2020		Projected 2021		
	Mean	Median	Mean	Median	Mean	Median	
Netherlands	NHN	2.9%	2.8%	2.8%	2.9%	2.8%	2.9%
	NS	2.9%	2.9%	2.6%	2.8%	2.8%	2.9%
	MS	2.9%	2.9%	2.5%	2.8%	2.8%	2.9%
	OE	3.1%	3.0%	2.3%	2.9%	2.6%	2.9%
	All	3.0%	2.9%	2.6%	2.8%	2.8%	2.9%
Russia	NHN*	6.6%	7.0%	5.4%	6.5%	5.7%	6.5%
	NS	6.8%	7.1%	5.6%	6.6%	6.2%	7.0%
	MS	6.7%	7.2%	5.8%	6.9%	6.4%	7.0%
	OE*	6.5%	7.0%	4.9%	5.5%	6.3%	7.0%
	All	6.7%	7.0%	5.6%	6.5%	6.2%	7.0%
Singapore	NHN	4.4%	4.0%	3.7%	4.0%	3.7%	4.0%
	NS	4.0%	4.0%	3.4%	4.0%	3.7%	4.0%
	MS	4.0%	4.0%	3.4%	4.0%	3.6%	4.0%
	OE	4.1%	4.0%	3.6%	4.0%	3.4%	4.0%
	All	4.0%	4.0%	3.5%	4.0%	3.6%	4.0%
Spain	NHN	2.7%	2.5%	2.7%	2.5%	2.6%	2.5%
	NS	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
	MS	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
	OE	2.6%	2.5%	2.1%	2.3%	2.3%	2.5%
	All	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Sweden	NHN*	2.8%	2.7%	2.7%	2.7%	2.7%	2.7%
	NS	2.8%	2.8%	2.5%	2.6%	2.6%	2.6%
	MS	2.8%	2.8%	2.6%	2.7%	2.6%	2.6%
	OE*	2.8%	2.8%	2.3%	2.5%	2.6%	2.6%
	All	2.8%	2.8%	2.5%	2.6%	2.6%	2.6%
Switzerland	NHN*	2.5%	2.3%	2.0%	2.0%	2.2%	2.1%
	NS	2.3%	2.2%	2.0%	2.0%	2.1%	2.0%
	MS	2.3%	2.2%	2.0%	2.0%	2.1%	2.0%
	OE	2.3%	2.2%	1.8%	2.0%	1.9%	2.0%
	All	2.3%	2.2%	2.0%	2.0%	2.1%	2.0%
United Kingdom	NHN	3.1%	3.0%	2.8%	3.0%	2.8%	3.0%
	NS	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%
	MS	3.1%	3.0%	2.8%	3.0%	2.9%	3.0%
	OE	3.0%	3.0%	2.6%	3.0%	2.8%	3.0%
	All	3.1%	3.0%	2.7%	3.0%	2.9%	3.0%
United States	NHN	3.2%	3.0%	2.8%	3.0%	2.9%	3.0%
	NS	3.1%	3.0%	2.9%	3.0%	2.9%	3.0%
	ES	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%
	OE	3.3%	3.0%	2.9%	3.0%	2.9%	3.0%
	All	3.2%	3.0%	2.9%	3.0%	2.9%	3.0%

*This data may represent a small sample size of fewer than 30 responses. Please refer to figure G2.

NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

SALARY BUDGET INCREASES

FIGURE G2B Total Salary Budget Increases, by Employee Category (zeros NOT included)

	Employee Category	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Australia	NHN	3.1%	3.0%	3.0%	3.0%	3.1%	3.0%
	NS	3.2%	3.0%	3.0%	3.0%	3.1%	3.0%
	MS	3.2%	3.0%	3.0%	3.0%	3.1%	3.0%
	OE	3.5%	3.0%	2.9%	3.0%	3.0%	3.0%
	All	3.2%	3.0%	3.0%	3.0%	3.1%	3.0%
Belgium	NHN	2.5%	2.5%	2.4%	2.5%	2.3%	2.5%
	NS	2.6%	2.5%	2.5%	2.5%	2.4%	2.5%
	MS	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%
	OE*	2.5%	2.5%	2.5%	2.5%	2.2%	2.4%
	All	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%
Brazil	NHN	5.4%	5.5%	4.5%	5.0%	4.7%	5.0%
	NS	5.6%	5.7%	4.6%	5.0%	4.6%	5.0%
	MS	5.7%	5.7%	4.7%	5.0%	4.7%	5.0%
	OE	6.0%	6.0%	4.6%	5.0%	5.0%	5.0%
	All	5.6%	5.7%	4.6%	5.0%	4.7%	5.0%
Canada	NHN	2.9%	3.0%	2.9%	3.0%	2.9%	3.0%
	NS	3.1%	3.0%	2.9%	3.0%	3.2%	3.0%
	MS	3.1%	3.0%	2.9%	3.0%	3.2%	3.0%
	OE	3.0%	3.0%	3.0%	3.0%	3.3%	3.0%
	All	3.0%	3.0%	2.9%	3.0%	3.2%	3.0%
China	NHN	6.9%	6.8%	7.4%	6.5%	7.7%	6.5%
	NS	6.8%	6.8%	6.8%	6.5%	6.9%	6.5%
	MS	6.8%	6.8%	6.8%	6.5%	6.8%	6.5%
	OE	6.6%	6.6%	6.3%	6.5%	6.1%	6.5%
	All	6.8%	6.8%	6.8%	6.5%	6.9%	6.5%
France	NHN	2.8%	2.5%	2.7%	2.5%	2.6%	2.5%
	NS	2.7%	2.5%	2.6%	2.5%	2.6%	2.5%
	MS	2.8%	2.5%	2.6%	2.5%	2.6%	2.5%
	OE	2.8%	2.5%	2.6%	2.5%	2.5%	2.5%
	All	2.8%	2.5%	2.6%	2.5%	2.6%	2.5%
Germany	NHN	3.2%	3.0%	3.1%	3.0%	3.0%	3.0%
	NS	3.1%	3.0%	3.1%	3.0%	3.0%	3.0%
	MS	3.1%	3.0%	3.1%	3.0%	3.0%	3.0%
	OE	3.1%	3.0%	3.7%	3.0%	3.4%	3.0%
	All	3.1%	3.0%	3.2%	3.0%	3.1%	3.0%
India	NHN	9.7%	10.0%	9.4%	10.0%	9.3%	10.0%
	NS	10.0%	10.0%	9.4%	10.0%	9.4%	10.0%
	MS	9.8%	10.0%	9.4%	10.0%	9.2%	10.0%
	OE	10.5%	10.0%	9.2%	10.0%	9.2%	10.0%
	All	10.0%	10.0%	9.4%	10.0%	9.3%	10.0%

(Continued on page 73)

NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

SALARY BUDGET INCREASES

FIGURE G2B Total Salary Budget Increases, by Employee Category (zeros NOT included) (continued)

	Employee Category	Actual 2019		Actual 2020		Projected 2021	
		Mean	Median	Mean	Median	Mean	Median
Italy	NHN	2.7%	2.5%	2.6%	2.5%	2.5%	2.5%
	NS	2.7%	2.5%	2.6%	2.5%	2.6%	2.5%
	MS	2.7%	2.5%	2.6%	2.5%	2.6%	2.5%
	OE	2.6%	2.5%	2.6%	2.5%	2.5%	2.5%
	All	2.7%	2.5%	2.6%	2.5%	2.6%	2.5%
Japan	NHN	2.6%	2.5%	2.5%	2.5%	2.4%	2.5%
	NS	2.6%	2.5%	2.6%	2.5%	2.5%	2.5%
	MS	2.6%	2.5%	2.6%	2.5%	2.5%	2.5%
	OE	2.7%	2.5%	2.4%	2.5%	2.3%	2.3%
	All	2.7%	2.5%	2.6%	2.5%	2.5%	2.5%
Mexico	NHN	5.2%	5.0%	5.0%	5.0%	4.8%	5.0%
	NS	5.2%	5.0%	4.9%	5.0%	4.8%	5.0%
	MS	5.2%	5.0%	4.9%	5.0%	4.8%	5.0%
	OE	5.1%	5.0%	4.8%	5.0%	4.9%	5.0%
	All	5.2%	5.0%	4.9%	5.0%	4.8%	5.0%
Netherlands	NHN	3.0%	2.8%	2.9%	2.9%	2.9%	2.9%
	NS	3.0%	2.9%	2.8%	2.9%	2.9%	2.9%
	MS	3.0%	2.9%	2.8%	2.9%	2.9%	2.9%
	OE	3.1%	3.0%	2.8%	3.0%	2.8%	3.0%
	All	3.0%	2.9%	2.8%	2.9%	2.9%	2.9%
Russia	NHN*	6.6%	7.0%	6.2%	6.5%	5.9%	6.5%
	NS	6.9%	7.2%	6.4%	7.0%	6.6%	7.0%
	MS	6.8%	7.2%	6.5%	7.0%	6.6%	7.0%
	OE*	6.7%	7.0%	6.1%	6.5%	6.3%	7.0%
	All	6.8%	7.1%	6.4%	7.0%	6.5%	7.0%
Singapore	NHN	4.4%	4.0%	4.1%	4.0%	3.7%	4.0%
	NS	4.1%	4.0%	3.8%	4.0%	3.8%	4.0%
	MS	4.0%	4.0%	3.8%	4.0%	3.8%	4.0%
	OE	4.1%	4.0%	3.8%	4.0%	3.7%	4.0%
	All	4.1%	4.0%	3.8%	4.0%	3.8%	4.0%
Spain	NHN	2.8%	2.5%	2.8%	2.5%	2.6%	2.5%
	NS	2.7%	2.5%	2.7%	2.5%	2.6%	2.5%
	MS	2.6%	2.5%	2.7%	2.5%	2.6%	2.5%
	OE	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
	All	2.7%	2.5%	2.7%	2.5%	2.6%	2.5%
Sweden	NHN*	2.8%	2.7%	2.7%	2.7%	2.8%	2.7%
	NS	2.9%	2.8%	2.7%	2.7%	2.7%	2.6%
	MS	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%
	OE*	2.8%	2.8%	2.4%	2.5%	2.6%	2.6%
	All	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%

(Continued on page 74)

NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

SALARY BUDGET INCREASES

FIGURE G2B Total Salary Budget Increases, by Employee Category (zeros NOT included) (continued)

Employee Category	Actual 2019		Actual 2020		Projected 2021		
	Mean	Median	Mean	Median	Mean	Median	
Switzerland	NHN*	2.5%	2.3%	2.2%	2.0%	2.2%	2.1%
	NS	2.3%	2.2%	2.2%	2.0%	2.2%	2.0%
	MS	2.3%	2.2%	2.1%	2.0%	2.2%	2.0%
	OE	2.3%	2.2%	2.0%	2.0%	2.0%	2.0%
	All	2.3%	2.2%	2.1%	2.0%	2.0%	2.0%
United Kingdom	NHN	3.1%	3.0%	3.0%	3.0%	2.9%	3.0%
	NS	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
	MS	3.1%	3.0%	3.1%	3.0%	3.0%	3.0%
	OE	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
	All	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%
United States	NHN	3.2%	3.0%	3.1%	3.0%	3.1%	3.0%
	NS	3.2%	3.0%	3.2%	3.0%	3.1%	3.0%
	ES	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%
	OE	3.3%	3.0%	3.3%	3.0%	3.1%	3.0%
	All	3.3%	3.0%	3.2%	3.0%	3.1%	3.0%

*This data may represent a small sample size of fewer than 30 responses. Please refer to figure G2.

NHN - Nonmanagement Hourly Nonunion | NS - Nonmanagement Salaried | MS - Management Salaried | OE - Officers/Executives

FIGURE G3 Number of Months Between Increases

	Actual 2019		Actual 2020		Projected 2021	
	Mean	Median	Mean	Median	Mean	Median
Australia	12.2	12.0	12.4	12.0	13.1	12.0
Belgium	12.2	12.0	12.9	12.0	12.3	12.0
Brazil	11.8	12.0	12.3	12.0	12.7	12.0
Canada	12.2	12.0	12.3	12.0	12.6	12.0
China	12.1	12.0	12.1	12.0	12.7	12.0
France	12.1	12.0	12.9	12.0	12.6	12.0
Germany	12.2	12.0	12.8	12.0	12.5	12.0
India	12.0	12.0	12.2	12.0	12.8	12.0
Italy	12.1	12.0	12.8	12.0	12.4	12.0
Japan	12.1	12.0	12.0	12.0	12.7	12.0
Mexico	12.1	12.0	12.5	12.0	12.8	12.0
Netherlands	12.0	12.0	13.1	12.0	12.7	12.0
Russia	12.1	12.0	12.3	12.0	12.8	12.0
Singapore	12.2	12.0	12.2	12.0	12.9	12.0
Spain	12.1	12.0	12.9	12.0	12.3	12.0
Sweden	12.1	12.0	13.2	12.0	12.9	12.0
Switzerland	12.3	12.0	12.0	12.0	12.7	12.0
United Kingdom	12.2	12.0	12.6	12.0	13.0	12.0
United States	12.2	12.0	12.7	12.0	13.0	12.0

SALARY BUDGET INCREASES

The following table was provided by SRG and includes global comparisons of average increase and inflation information for 72 countries within four major regions. The information was collected from more than 7,100 Strategic Rewards Group clients and includes increases that were awarded in 2020 and projections for 2021 in four categories: executive, management, professional and employee.

Data in this figure were collected, analyzed and reported by SRG. For the best comparison between WorldatWork and SRG data, please compare the general increase/COLA and merit increase rows of Figure G1b to Figure G4. Please note that discrepancies in data are possible because of differences in methodologies and sample sizes. Please see page 61 for more information.

FIGURE G4 International Merit Increases & Inflation
(Data collected, analyzed and reported by Strategic Rewards Group)

Effective June 15, 2020

	2020		2021				
	Actual Increase Avg.	Inflation (Projected)	Inflation (Projected)	Planned Increase Projected			
				Executive	Management	Professional	Employee
Europe							
Austria	3.0	0.4	1.7	3.7	3.2	3.1	2.9
Belgium	2.9	0.3	1.8	3.7	3.3	3.0	2.8
Cyprus	2.2	0.5	0.7	3.4	2.9	2.7	2.4
Czech Republic	3.8	2.1	2.8	4.2	4.0	3.9	3.7
Denmark	2.7	0.7	1.0	3.5	3.1	2.9	2.8
Estonia	3.0	1.5	2.0	3.6	3.2	3.1	2.9
Euro Zone	2.6	0.6	0.7	3.2	2.9	2.7	2.6
Finland	2.8	0.9	1.0	3.1	3.0	2.9	2.7
France	2.9	0.4	1.3	3.3	3.1	3.0	2.8
Germany	3.1	0.3	2.0	3.8	3.3	3.2	3.0
Greece	2.3	(0.5)	1.0	3.0	2.8	2.6	2.5
Hungary	4.9	3.3	3.7	5.4	5.1	5.0	4.9
Iceland	4.2	2.8	3.0	5.0	4.8	4.6	4.4
Irish Republic	2.8	0.4	1.7	3.5	3.1	3.0	2.9
Italy	2.5	0.2	1.1	3.0	2.8	2.6	2.4
Latvia	4.7	2.8	3.1	5.2	4.9	4.7	4.5
Lithuania	3.2	(0.4)	1.7	4.0	3.8	3.6	3.4
Luxembourg	2.6	0.7	1.5	3.1	2.9	2.7	2.5
Netherlands	3.2	0.5	2.9	3.8	3.6	3.3	3.2
Norway	3.6	2.4	2.9	4.0	3.9	3.6	3.4
Poland	3.9	3.0	2.2	4.4	4.1	4.0	3.8
Portugal	2.6	(0.3)	1.3	3.2	2.9	2.7	2.5
Russia	4.8	3.1	3.0	5.4	5.1	4.9	4.8
Slovak Republic	3.7	1.9	2.4	4.3	4.1	3.9	3.8
Slovenia	3.5	0.5	1.4	4.1	3.8	3.7	3.6
Spain	2.8	(0.2)	1.5	3.4	3.2	2.9	2.8
Sweden	2.9	0.5	1.1	3.6	3.3	3.1	3.0

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SALARY BUDGET INCREASES

FIGURE G4 International Merit Increases & Inflation (continued)
(Data collected, analyzed and reported by Strategic Rewards Group)

	2020		2021				
	Actual Increase Avg.	Inflation (Projected)	Inflation (Projected)	Planned Increase Projected			
				Executive	Management	Professional	Employee
Switzerland	1.3	(0.2)	0.4	2.1	2.0	1.9	1.5
Ukraine	5.7	4.5	4.7	6.5	6.2	6.0	5.8
United Kingdom	3.2	1.8	1.9	3.8	3.5	3.3	3.1
Asia Pacific							
Australia	2.8	1.4	1.3	3.4	3.1	2.9	2.7
Bangladesh	6.8	5.8	5.8	7.2	6.9	6.8	6.5
China	4.6	3.1	2.5	5.3	4.9	4.7	4.6
Hong Kong	3.8	2.1	2.0	4.3	4.0	3.8	3.6
India	5.1	3.3	2.9	6.4	5.8	5.5	5.2
Indonesia	3.9	2.8	2.9	4.5	4.1	3.8	3.7
Japan	1.7	0.2	0.3	2.4	2.1	1.9	1.6
Korea (South)	1.8	0.5	0.6	2.6	2.2	2.0	1.9
Malaysia (Pen.)	1.5	0.2	0.2	2.5	2.1	1.9	1.5
New Zealand	2.6	1.3	1.5	3.2	2.9	2.7	2.5
Pakistan	9.6	11.1	9.0	10.3	9.8	9.6	9.5
Philippines	4.3	1.7	3.0	5.5	4.9	4.5	4.2
Singapore	1.9	0.2	0.6	2.6	2.2	2.0	1.8
Sri Lanka	5.8	4.7	4.5	6.4	6.1	5.9	5.7
Taiwan	1.9	0.4	1.0	2.6	2.2	2.0	1.8
Thailand	2.8	0.2	1.2	3.3	3.1	2.9	2.7
Vietnam	4.6	3.1	3.9	5.4	4.9	4.7	4.4
Africa/ Middle East							
Bahrain	3.2	2.2	2.8	4.2	3.4	3.3	3.1
Egypt	9.7	5.9	8.0	10.5	10.1	9.9	9.7
Israel	2.6	(0.9)	1.3	3.2	2.9	2.7	2.5
Kenya	7.2	5.1	6.0	8.5	7.9	7.6	7.2
Lebanon	15.8	17.0	14.0	16.8	16.1	15.9	15.5
Nigeria	13.6	13.4	12.5	13.1	12.1	12.7	12.5
Oman	4.5	1.1	3.4	5.2	4.8	4.7	4.3
Saudi Arabia	1.1	0.9	1.1	2.4	2.1	1.3	1.1
South Africa	4.9	2.5	3.5	5.6	5.1	5.0	4.9
Turkey	14.2	12.0	15.5	16.6	15.8	14.4	13.2
UAE	3.1	(1.0)	1.1	4.6	3.9	4.5	4.3
Zimbabwe*	4.3	7.5	3.7	5.5	4.9	4.5	5.3

(Continued on page 77)

SALARY BUDGET INCREASES

FIGURE G4 International Merit Increases & Inflation (continued)
(Data collected, analyzed and reported by Strategic Rewards Group)

	2020		2021				
	Actual Increase Avg.	Inflation (Projected)	Inflation (Projected)	Planned Increase Projected			
				Executive	Management	Professional	Employee
Latin America							
Argentina	57.2	40.0	35.0	59.0	57.0	56.0	53.1
Brazil	6.1	3.6	4.9	8.0	7.4	7.0	6.2
Chile	3.7	3.4	2.0	4.5	3.9	3.8	3.7
Colombia	4.1	3.5	3.2	5.0	4.6	4.4	4.2
Costa Rica	2.9	1.5	1.7	3.5	3.1	3.0	2.8
Ecuador	1.6	(0.1)	(0.4)	2.8	2.5	2.1	1.8
Guatemala	3.8	2.1	2.4	4.5	4.1	4.0	3.7
Mexico	4.9	2.7	3.4	5.5	5.0	4.9	4.7
Panama	3.1	(1.0)	1.2	3.9	3.6	3.2	3.0
Peru	3.4	1.2	2.6	4.5	3.4	3.7	3.3
Puerto Rico	2.8	1.2	1.3	3.5	3.1	2.9	2.7
Venezuela	?	1,033 (000)	1,042 (000)	N/A	N/A	N/A	N/A
North America							
Canada	3.6	0.6	1.0	4.5	4.4	3.9	3.2
USA	3.7	0.7	1.2	4.6	4.1	4.0	3.8

Notes:

- 1 SRG's regular annual salary planning survey is conducted January/February. This off-cycle conducted since 2009.
- 2 Planned increase averages includes both the average merit increase and the average inflation-based pay increase.
- 3 SRG does not count zeros reported.
- 4 Merit salary survey data for 2019 and 2020 (newly projected) was obtained from over 7,125 clients and general survey participants. The preponderance of this survey has been used since 1993 by WorldatWork (Salary Budget).
- 5 In higher inflation countries, increases may be given more frequently than annual.
- 6 CPI data provided by The World Bank, IMF, and the London School of Economics, Barclays Bank and the Economist Intelligence Unit.
- 7 Sector specific increases are available upon request for a fee of \$250 per country. (e.g., Bio-tech, E&C, High-tech, INGO/NGO, Pharmaceutical, Professional Services).
- 8 A total of 72 countries (plus Euro Zone average) are listed, but data is available for another 62 countries. The fee for this survey is \$500 payable in advance to cover administration of the survey. Specific labor markets and/or sectors available for \$250 per location (e.g. Brazil - Rio de Janeiro, São Paulo, and Brazilia).
- 9 For more information about the survey from SRG, please contact info@strategicrewardsgroup.com.

* Zimbabwe - rampant inflation has given rise to dollarization (USD). Phased out ZBD for USD in July 2015....several other currencies are convertible FX referencing their rate to the USD. We continue to track CPI in USD terms.

Survey definitions for employee category

- **Executives** — Officials, elected or appointed, and their equivalent business unit or function heads.
- **Managers** — Management in operational and functional roles not considered "Top."
- **Professional** — Professionals having a degreed or commonly recognized field of knowledge/work, which may (or not) include the supervision of personnel. May also include key contributors and supervisors.
- **Employee** — Regular operational and functional employees not having any supervisory responsibility.

SURVEY DEFINITIONS

Bonus: an after-the-fact reward or payment based on the performance of an individual, a group of workers operating as a unit, a division or business unit, or an entire workforce.

Exempt Salaried: all other salaried employees, except officers and executives, not subject to the overtime pay provisions of Fair Labor Standards Act of 1938 (FLSA).

General increase/Cost of Living Allowance (COLA): an identical pay raise either in a flat rate such as cents per hour or as a percentage of salary given to all eligible employees. Also known as an across-the-board increase.

Nonmanagement Hourly Nonunion (Non-U.S.): hourly nonunion employees. Excludes hourly union employees.

Lump-sum Award: an award that is paid in a single cash payment.

Incentive: any form of variable payment tied to performance. The payment is a monetary award. Incentives are contrasted with bonuses in that performance goals for incentives are predetermined.

Management Salaried (Non-U.S.): all other salaried employees, except officers and executives.

Merit increase: an adjustment to an individual's base pay rate based on performance or some other individual measure.

Nonexempt Hourly Nonunion: hourly employees who are not exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act of 1938 (FLSA). Exclude hourly union employees.

Nonexempt Salaried: salaried (compensation paid by the week, month or year rather than by the hour) employees who are not exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act of 1938 (FLSA). Excludes hourly employees both union and nonunion.

Nonmanagement Salaried (Non-U.S.): salaried nonunion employees. Excludes hourly employees both union and nonunion.

Officers/Executives: top and/or senior management that have significant responsibility for the management of the company as well as influence on the results of the company.

Other increase: may include internal equity adjustments, salary range adjustments, skill-based pay increases. See options in question 9a for more examples.

Promotional increase: an increase in a salary or wage rate provided to a person because of a promotion to a higher-level job.

Salary range structure change: the percentage change in the control points (or the midpoints) of a formal salary range, band or wage rate that are adjusted to reflect movements in the marketplace.

Total base salaries: total salaries for all eligible employees (base salaries only).

Total increase: the total amount of any combination of the above increases (General, COLA, Merit, Other) expressed as a percentage of payroll to be granted as increases during the year. The budget percentage is calculated by totaling the amount of general increases, cost-of-living increases, merit and other increases granted or scheduled to be granted in the year, and dividing the total salaries of all eligible employees whether or not they received a salary increase.

Variable pay: compensation that is contingent on discretion, performance or results achieved. It may be referred to as pay at risk.

Need More Data for the United States or Canada?

- 1** Log in at worldatwork.org/profile.
- 2** Click on your avatar picture in right corner, then click on **My Profile**.
- 3** Under **My Current Products & Events**, select “2020-2021 Salary Budget Survey.”
- 4** Run unlimited reports, customized by:
 - a. Type of data
 - b. Statistic (e.g., mean, median, 25th/75th percentile)
 - c. Industry
 - d. Number of employees
 - e. Revenue
 - f. Geographic region
 - g. State/province
 - h. Major metropolitan area
- 5** Simply view reports, “print to PDF” or “save to Excel.”
- 6** Access participants lists and questionnaires.

See page 6 (Get Started Now) for step-by-step login and “Online Reporting Tool” access instructions.

For additional assistance with the “Online Reporting Tool,” please contact our **Customer Relationship Services** team at **877-951-9191** (United States and Canada) or **+1 480-922-2020** (other countries), or customerrelations@worldatwork.org.

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