

2017-2018 ERC WAGE & SALARY ADJUSTMENT SURVEY

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ERCTM
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ABOUT US



Where Great Workplaces Start.

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit www.yourERC.com.

INTRODUCTION & METHODOLOGY

Overview

ERC invited Northeast Ohio organizations to complete the survey between July 11th and August 4th, 2017. Organizations reported their actual wage and salary adjustments for the period between 7/1/16 and 7/1/17 and their projected adjustments for the period between 7/1/17 and 7/1/18. The survey, published in August of 2017, reports data from 171 organizations regarding their actual and projected wage and salary adjustments.

Please note that the projected wage adjustments in this report are an average of all projections provided by organizations that are planning to make adjustments for the period between 7/1/17 and 7/1/18. The actual wage adjustments represent an average of all data provided by organizations that made adjustments for the period between 7/1/16 and 7/1/17. Data from organizations that are not planning to make adjustments or did not make adjustments are not included in the averages, as is standard reporting practice for these figures. Formal pay ranges refer to upper and lower limits of possible compensation for individuals whose jobs fall in the range.

Codes

The following codes are used throughout the survey report to report the data.

- **PMS-NU** Production, Maintenance, and Service Positions (Non-Union)
- **PMS-U** Production, Maintenance, and Service Positions (Union)
- **CT** Clerical and Technical Positions
- **SMP** Exempt Supervisory, Management, and Professional Positions
- **EXEC** Executive Positions

KEY FINDINGS

PAY PRACTICES

“Merit” based pay adjustments are by far the most common across all employee types, with the exception of the “union production, maintenance, and service” (PMS-U) grouping. Just under one quarter of the participants report using “across the board” adjustments that take place regardless of performance. Interestingly, these blanket adjustments are not necessarily tied to “cost-of-living” as defined by the federal government, but instead to another marker either internal or external to the organization.

ACTUAL PAY INCREASE

On average, Northeast Ohio employers provided actual pay increases of **3.0%** in 2017. As **Figure 4** illustrates below, the 3.0% raise is also by far the most common number reported (i.e., 3.0% is also the “mode” of the dataset).

PROJECTED PAY INCREASE

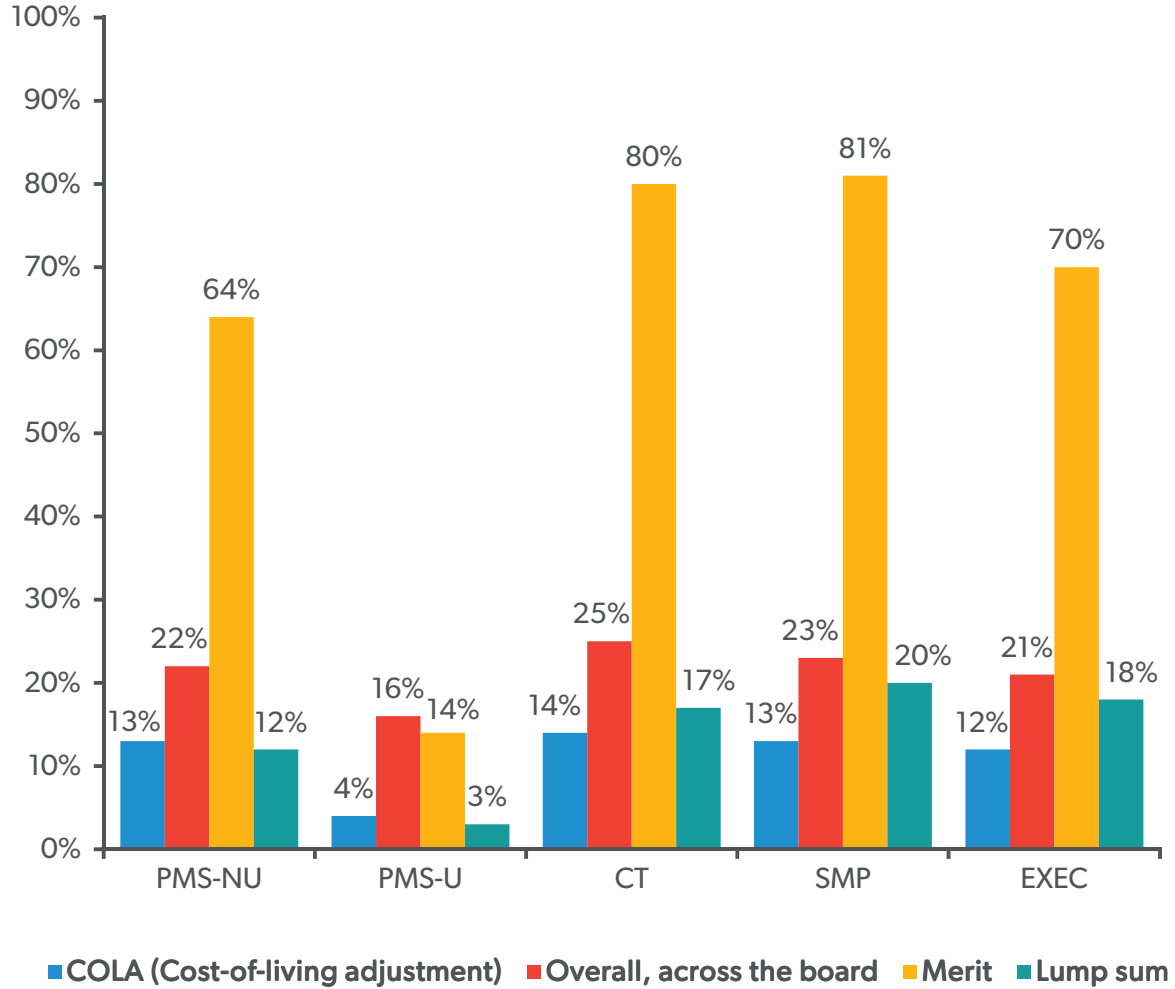
The average projected pay increase for 2018 is **3.1%**. Based on the projections reported in our sample, it appears that slightly fewer organizations will be providing pay adjustments greater than 3.0% than were seen in 2017. However, the projected average pay increase for 2018 ticked up slightly with more non-exempt employees in the production, maintenance, and service as well as clerical and technical groups moving up from the “less than 3.0%” category and into the “equal to 3.0%” bracket.

PAY ADJUSTMENT TRENDS

Virtually all of this year’s participating organizations, are anticipating providing pay increases to one or more type of employee grouping. Although pay increases have become the norm, there is still very little (if any) growth in terms of the actual percentages being distributed.

PAY PRACTICES

FIGURE 1 | Percentage of organizations providing each kind of pay adjustment, by employee type



WAGE & SALARY ADJUSTMENTS

FIGURE 2 | Average actual & projected pay adjustments

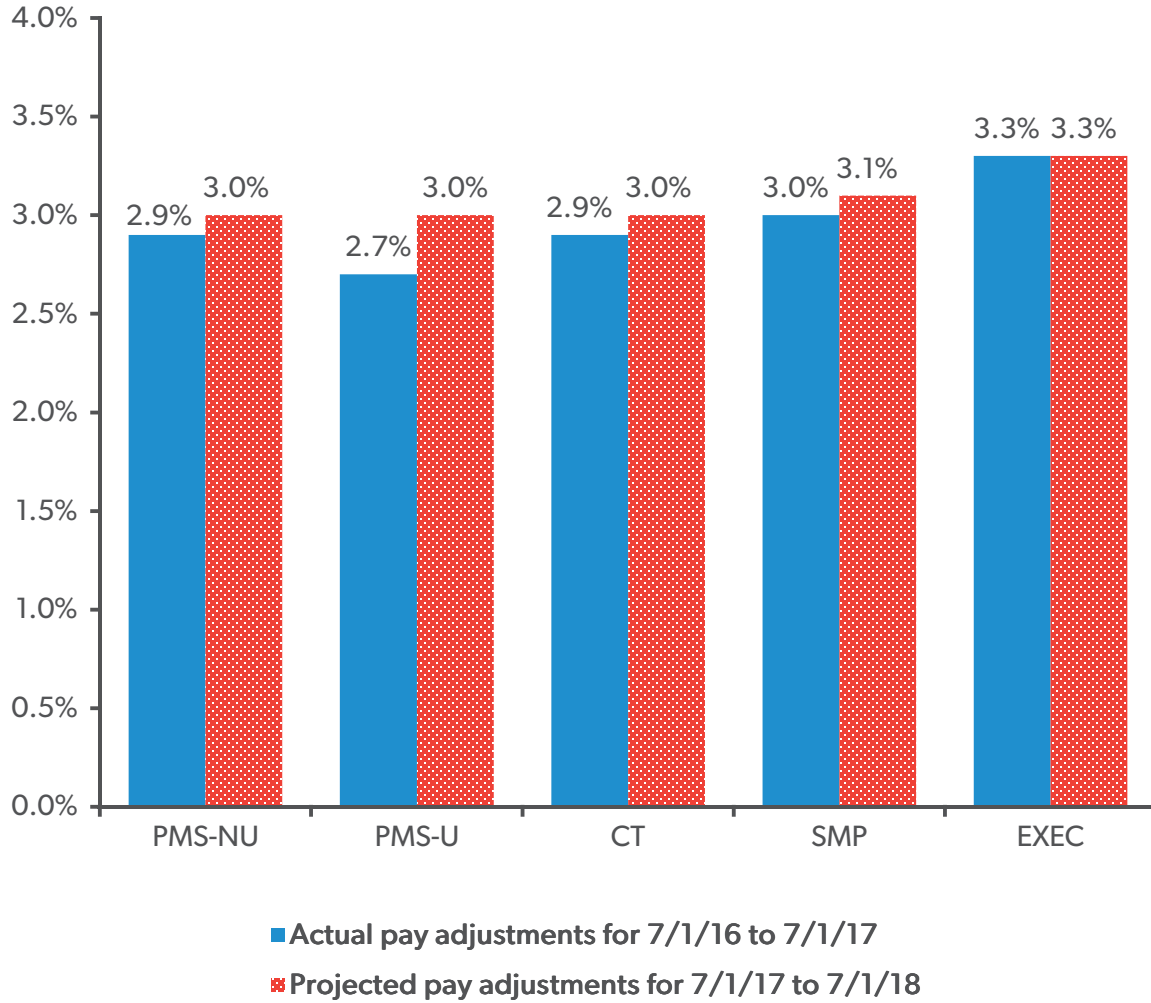


FIGURE 3 | Average actual & projected formal pay range adjustments

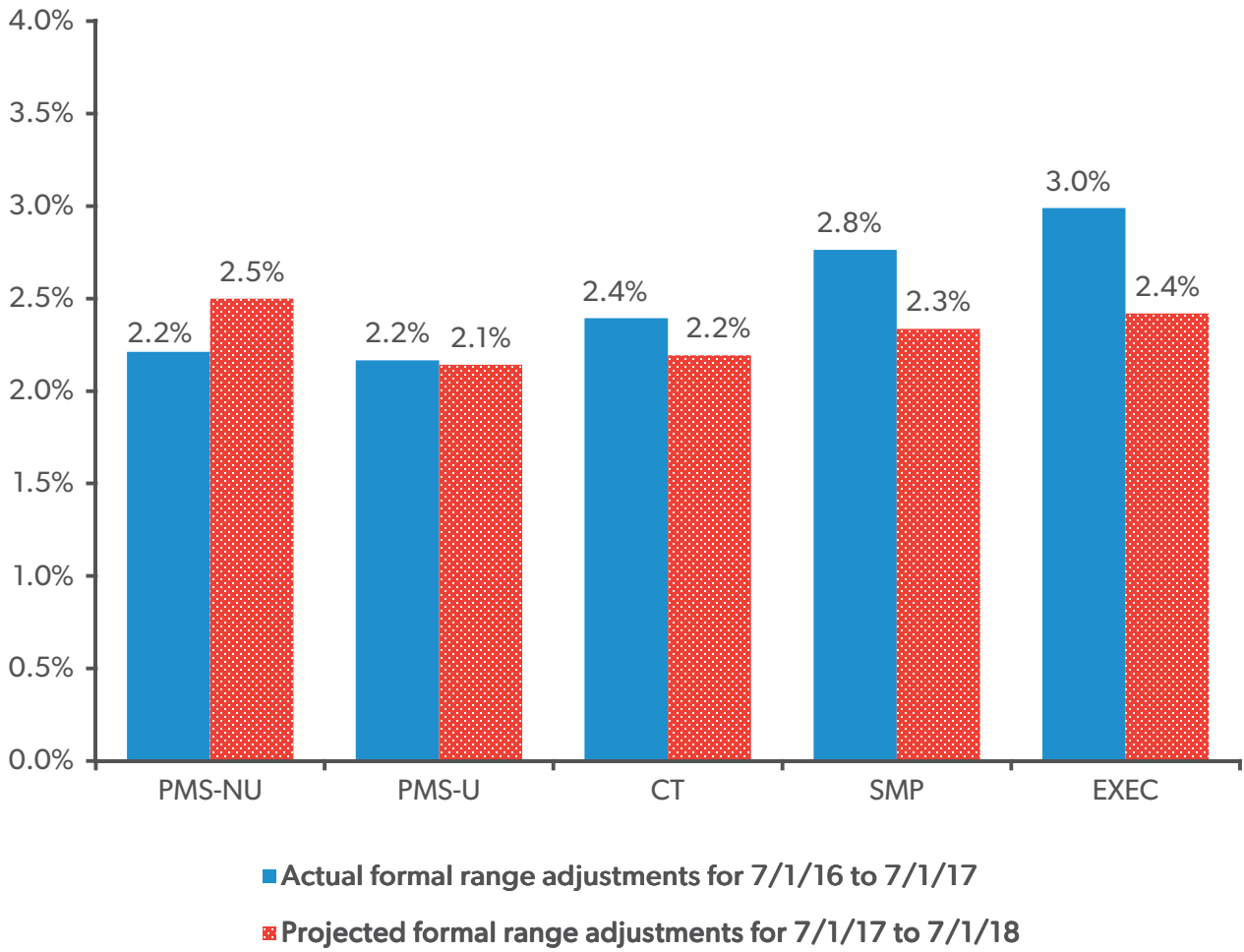
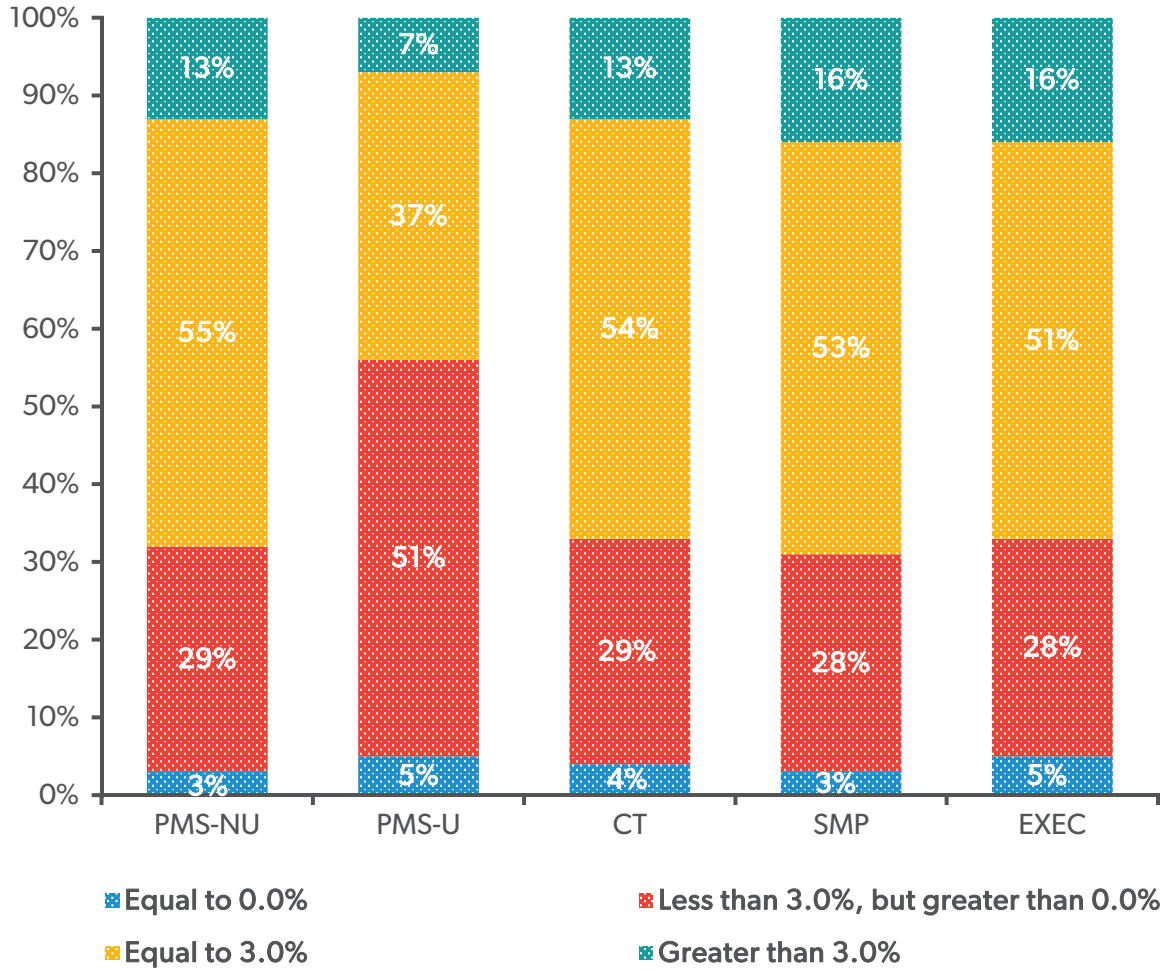


FIGURE 4 | Percentage of organizations providing actual increases greater than, equal to, less than 3.0% (but greater than 0.0%), and equal to 0.0% for 7/1/16 – 7/1/17

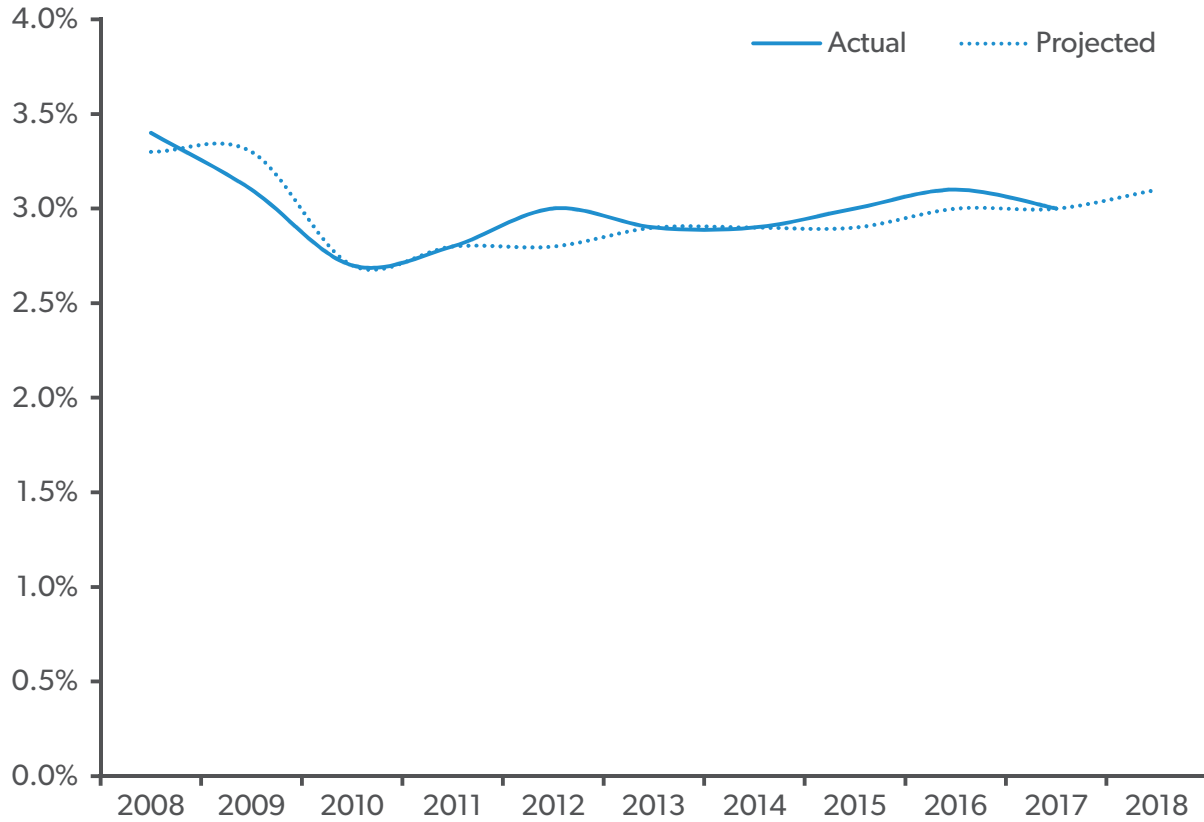


FIGURE 5 | Percentage of organizations projecting increases greater than, equal to, less than 3.0% (but greater than 0.0%), and equal to 0.0% for 7/1/17 – 7/1/18



PAY ADJUSTMENT TRENDS

FIGURE 6 | Average actual & projected pay increases from 2008-2018, all breakouts



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actual	3.4%	3.1%	2.7%	2.8%	3.0%	2.9%	2.9%	3.0%	3.1%	3.0%	n/a
Projected	3.3%	3.3%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%	3.0%	3.0%	3.1%

FIGURE 7 | Average actual pay increases (2008-2017) & projected pay increases (2018), by employee type

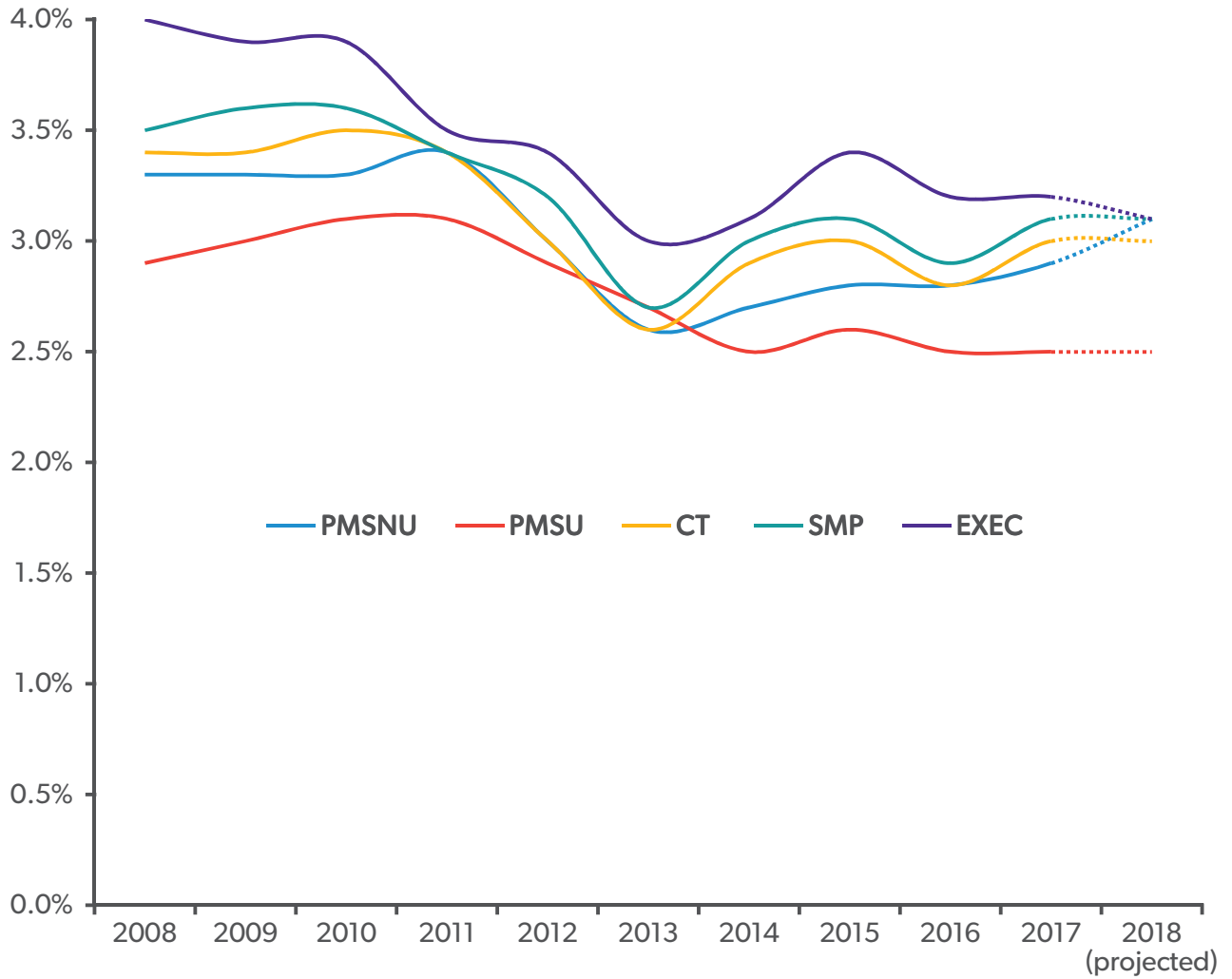
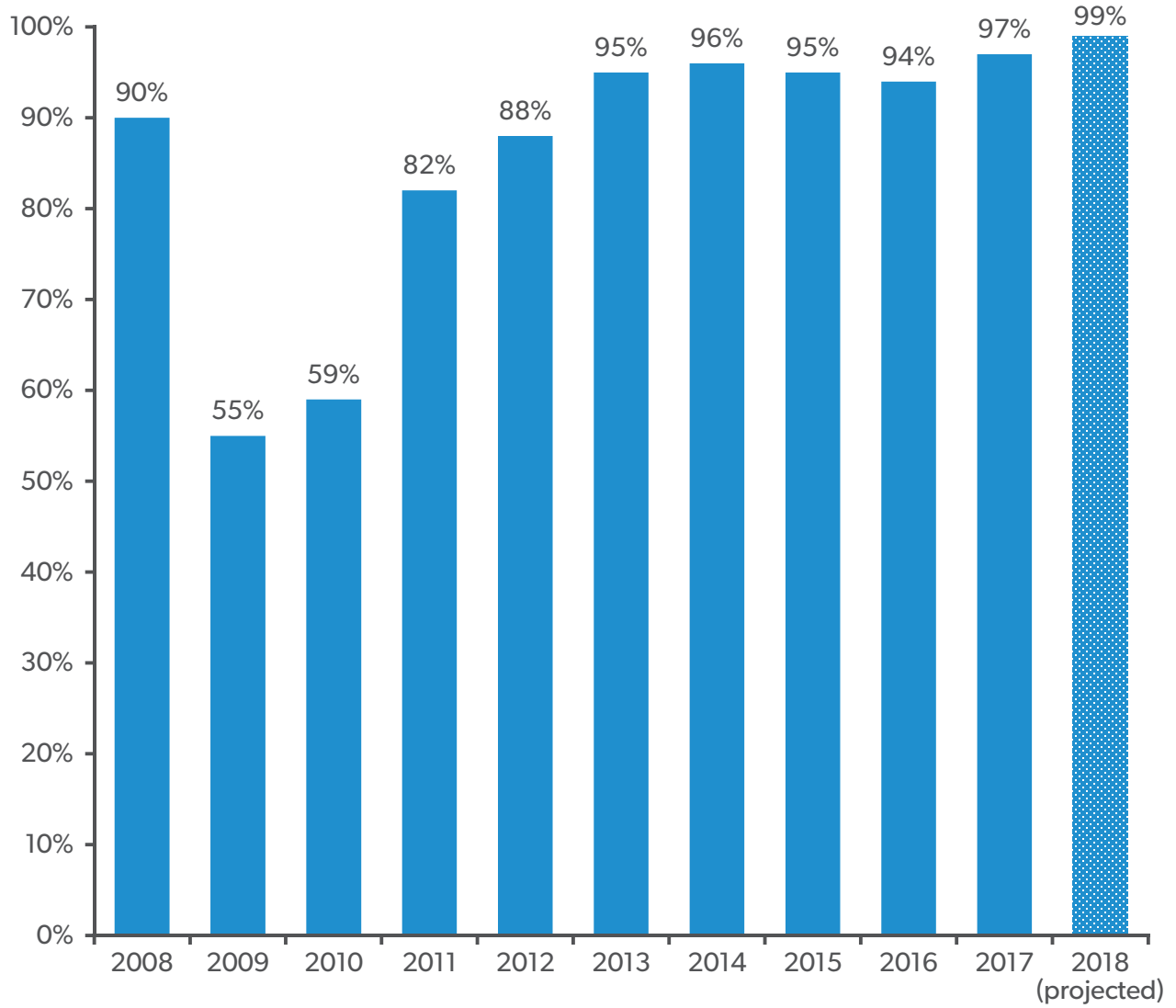


FIGURE 8 | Percentage of organizations that provided pay increases (2008-2017, 2018 projected)



APPENDIX A:

DEMOGRAPHIC BREAKOUTS

TABLE 1a | Percentage of organizations that provide cost-of-living (COL) adjustments
(Increases tied directly to inflation or CPI)

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	13%	4%	14%	13%	12%
Industry					
Manufacturing	20%	4%	19%	18%	15%
Non-Manufacturing	8%	4%	10%	10%	10%
Non-Profit	10%	3%	13%	10%	13%
Organizational Size					
1-50	10%	0%	13%	13%	13%
51-200	15%	1%	15%	12%	12%
201-500	16%	13%	19%	19%	16%
Over 500	18%	6%	12%	12%	12%
County					
Cuyahoga	7%	4%	8%	8%	8%
Geauga	20%	20%	60%	40%	20%
Lake	20%	7%	27%	20%	20%
Lorain	20%	0%	20%	20%	20%
Medina	25%	0%	25%	25%	25%
Summit	24%	0%	24%	24%	24%
Portage	50%	0%	25%	25%	25%
Wayne	0%	0%	0%	0%	0%
Other	50%	0%	0%	0%	0%

TABLE 1b | Percentage of organizations that provide overall, across the board adjustments

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	22%	16%	25%	23%	21%
Industry					
Manufacturing	24%	13%	21%	19%	16%
Non-Manufacturing	16%	12%	18%	20%	16%
Non-Profit	30%	37%	43%	37%	40%
Organizational Size					
1-50	23%	10%	32%	29%	32%
51-200	17%	15%	22%	22%	17%
201-500	28%	22%	25%	22%	22%
Over 500	35%	29%	18%	12%	12%
County					
Cuyahoga	25%	20%	27%	26%	23%
Geauga	20%	0%	20%	20%	20%
Lake	33%	20%	33%	27%	40%
Lorain	0%	20%	20%	20%	20%
Medina	0%	0%	0%	13%	0%
Summit	10%	14%	14%	5%	0%
Portage	25%	0%	25%	25%	25%
Wayne	33%	33%	33%	33%	33%
Other	50%	0%	25%	25%	25%

TABLE 1c | Percentage of organizations that provide merit increases

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	64%	14%	80%	81%	70%
Industry					
Manufacturing	75%	16%	84%	84%	73%
Non-Manufacturing	57%	12%	90%	88%	75%
Non-Profit	43%	13%	50%	60%	60%
Organizational Size					
1-50	48%	3%	68%	65%	52%
51-200	62%	17%	81%	83%	75%
201-500	81%	19%	88%	88%	75%
Over 500	65%	12%	76%	88%	76%
County					
Cuyahoga	60%	16%	79%	80%	71%
Geauga	40%	20%	100%	100%	60%
Lake	73%	13%	80%	80%	80%
Lorain	80%	40%	80%	80%	80%
Medina	75%	25%	75%	75%	75%
Summit	71%	5%	86%	90%	71%
Portage	75%	0%	75%	75%	75%
Wayne	100%	0%	100%	67%	67%
Other	25%	0%	25%	50%	25%

TABLE 1d | Percentage of organizations that provide lump sum increases*

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	12%	3%	17%	20%	18%
Industry					
Manufacturing	14%	1%	13%	19%	13%
Non-Manufacturing	12%	2%	27%	29%	25%
Non-Profit	7%	10%	7%	10%	13%
Organizational Size					
1-50	3%	0%	16%	19%	10%
51-200	7%	4%	10%	12%	16%
201-500	28%	3%	31%	38%	28%
Over 500	18%	6%	18%	29%	12%
County					
Cuyahoga	11%	5%	16%	23%	18%
Geauga	20%	0%	40%	40%	20%
Lake	27%	0%	27%	27%	20%
Lorain	0%	0%	0%	0%	20%
Medina	25%	0%	38%	38%	25%
Summit	0%	0%	5%	5%	10%
Portage	25%	0%	25%	25%	25%
Wayne	0%	0%	0%	0%	0%
Other	25%	0%	0%	0%	0%

* For purposes of this survey a "lump sum increase" is a one-time cash payment considered a normal part of employee's compensation for work covering a specific period of time. Excludes Christmas bonus & profit sharing.

TABLE 2a | Average actual pay adjustments for 7/1/16 to 7/1/17

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	2.9%	2.7%	2.9%	3.0%	3.3%
Industry					
Manufacturing	2.9%	3.0%	2.9%	3.0%	3.0%
Non-Manufacturing	3.1%	2.7%	3.1%	3.3%	4.2%
Non-Profit	2.4%	2.1%	2.5%	2.5%	2.6%
Organizational Size					
1-50	3.1%	3.8%	3.1%	3.3%	4.0%
51-200	2.8%	2.5%	2.8%	2.9%	3.1%
201-500	3.1%	2.8%	3.0%	3.1%	3.3%
Over 500	2.5%	2.4%	2.6%	2.5%	2.7%
County					
Cuyahoga	2.9%	2.7%	2.8%	3.0%	3.3%
Geauga	2.5%	3.0%	2.8%	3.1%	4.5%
Lake	3.1%	2.8%	3.1%	3.4%	3.4%
Lorain	2.4%	2.3%	2.5%	2.6%	2.5%
Medina	3.1%	2.8%	2.9%	2.8%	3.6%
Summit	2.9%	2.5%	2.9%	3.0%	2.8%
Portage	3.0%	n/a	3.0%	2.7%	3.1%
Wayne	2.2%	2.5%	2.2%	2.3%	2.3%
Other	2.6%	3.0%	3.0%	3.0%	3.7%

TABLE 2b | Average projected pay adjustments for 7/1/17 to 7/1/18

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	3.0%	3.0%	3.0%	3.1%	3.3%
Industry					
Manufacturing	2.9%	2.8%	2.9%	2.9%	3.0%
Non-Manufacturing	3.5%	4.0%	3.4%	3.5%	4.2%
Non-Profit	2.4%	2.1%	2.4%	2.6%	2.6%
Organizational Size					
1-50	2.9%	2.8%	3.1%	3.2%	3.6%
51-200	3.1%	3.3%	3.1%	3.2%	3.4%
201-500	3.0%	3.0%	3.0%	3.0%	2.9%
Over 500	2.5%	2.3%	2.6%	2.6%	2.8%
County					
Cuyahoga	3.0%	3.1%	3.1%	3.1%	3.3%
Geauga	3.0%	3.0%	3.1%	3.5%	4.0%
Lake	3.0%	2.7%	3.0%	3.2%	3.4%
Lorain	3.0%	2.8%	2.8%	2.8%	2.8%
Medina	3.1%	3.0%	2.7%	2.7%	3.0%
Summit	2.9%	2.4%	2.9%	3.0%	2.9%
Portage	2.8%	n/a	2.9%	2.8%	3.3%
Wayne	2.0%	2.5%	2.0%	2.0%	2.0%
Other	2.5%	3.0%	3.0%	3.0%	3.7%

TABLE 3a | Average actual formal pay range adjustments for 7/1/16 to 7/1/17

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	2.2%	2.2%	2.4%	2.8%	3.0%
Industry					
Manufacturing	2.3%	2.4%	2.5%	2.5%	2.5%
Non-Manufacturing	2.8%	2.0%	3.2%	5.0%	7.3%
Non-Profit	1.4%	2.0%	1.6%	1.9%	1.5%
Organizational Size					
1-50	3.0%	n/a	3.6%	6.6%	6.5%
51-200	1.9%	2.5%	2.1%	2.3%	2.0%
201-500	3.0%	n/a	2.0%	2.0%	2.0%
Over 500	2.1%	1.8%	2.0%	2.1%	2.0%
County					
Cuyahoga	1.9%	2.0%	2.6%	3.4%	3.8%
Geauga	2.0%	n/a	2.0%	2.0%	2.0%
Lake	3.0%	n/a	2.7%	2.7%	2.6%
Lorain	2.0%	2.0%	2.0%	2.0%	2.0%
Medina	2.5%	2.5%	n/a	n/a	n/a
Summit	1.8%	2.5%	1.8%	1.8%	1.5%
Portage	5.0%	n/a	n/a	n/a	n/a
Wayne	1.5%	2.0%	1.5%	1.5%	1.5%
Other	2.9%	n/a	3.0%	2.8%	3.0%

TABLE 3b | Average projected formal pay range adjustments for 7/1/17 to 7/1/18

	PMS-NU	PMS-U	CT	SMP	EXEC
All Organizations	2.5%	2.1%	2.2%	2.3%	2.4%
Industry					
Manufacturing	3.0%	2.7%	2.5%	2.5%	2.6%
Non-Manufacturing	2.3%	3.0%	2.3%	2.5%	2.8%
Non-Profit	1.2%	1.3%	1.5%	1.9%	1.9%
Organizational Size					
1-50	n/a	n/a	2.3%	2.9%	3.3%
51-200	3.0%	2.4%	2.3%	2.5%	2.4%
201-500	2.4%	n/a	2.4%	2.4%	2.5%
Over 500	1.8%	1.5%	1.9%	1.9%	1.9%
County					
Cuyahoga	2.0%	1.8%	2.1%	2.3%	2.5%
Geauga	2.0%	n/a	2.0%	2.0%	n/a
Lake	4.8%	n/a	2.4%	2.4%	2.4%
Lorain	3.0%	2.5%	2.5%	2.5%	2.0%
Medina	3.0%	3.0%	n/a	n/a	n/a
Summit	2.0%	n/a	2.0%	2.0%	2.0%
Portage	n/a	n/a	n/a	n/a	n/a
Wayne	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a

TABLE 4 | Percentage of organizations that provided actual or projected pay increases

	Actual pay increases for 7/1/16 - 7/1/17	Projected pay increases for 7/1/17-7/1/18
All Organizations	97%	99%
Industry		
Manufacturing	99%	99%
Non-Manufacturing	98%	100%
Non-Profit	90%	97%
Organizational Size		
1-50	97%	100%
51-200	96%	98%
201-500	97%	100%
Over 500	100%	100%
County		
Cuyahoga	96%	98%
Geauga	100%	100%
Lake	100%	100%
Lorain	100%	100%
Medina	100%	100%
Summit	95%	100%
Portage	100%	100%
Wayne	100%	100%
Other	100%	100%

RESPONDENT DEMOGRAPHICS

TABLE 5 | Respondent Demographics

One-hundred and seventy-one (171) organizations in Northeast Ohio participated in the survey. A breakdown of the industries, sizes, and counties they represent is provided below.

	Percent
Industry	
Manufacturing	50%
Non-Manufacturing	32%
Non-Profit	19%
Organizational Size	
1-50	19%
51-200	50%
201-500	20%
Over 500	11%
County	
Cuyahoga	59%
Geauga	3%
Lake	9%
Lorain	3%
Medina	5%
Summit	13%
Portage	3%
Wayne	2%
Other	3%

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