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## October 2018

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## National Compensation Forecast

Each quarter, ERI examines the rates at which salaries have increased and provides guidance on expected rates of increase for the upcoming year. These rates are calculated using ERI's **Salary Assessor** and ERI's **Salary Increase Survey & Forecast**.

As of July 1, 2018, salaries have increased at a higher rate than expected given ERI's **Salary Increase Survey & Forecast**. Specifically, salaries grew at a rate of 0.72% between April 2018 and July 2018, which is higher than the 0.56% expected quarterly growth rate. However, though salaries grew faster than expected, the 1-year actual growth rate is slightly lower than the expected growth rate. Indeed, salaries have grown 2.04% over the past 12 months, which is lower than 2017's expected rate of 2.2% and 2018's expected rate of 2.24% (0.56% quarterly). This is due to a lower rate of growth in the previous three quarters, which have an average growth rate of 0.44%.

These results are lower than the results of other wage growth surveys. Specifically, the BLS' Employment Cost Index reports a revised Q1 2018 growth rate of 0.7% and a 1-year growth rate of 2.6%. While ERI's current quarter is consistent with the BLS' most recent findings, ERI's 1-year growth rate is 0.55% below the rate noted by the BLS. There are several possible reasons for the differences between the BLS and ERI findings, but the most likely culprit is a phenomenon called sampling error. Sampling error refers to differences between sample results due to variations in the samples, which in this case would be different organizations participating in each survey.

To learn more, download ERI's latest **National Compensation Forecast** at [www.eri.com/whitepapers](http://www.eri.com/whitepapers).

# Minimum Wage News

ERI's cloud-based **Assessor Series** includes several new and improved features not previously found in the legacy DVD versions. Among the most popular is the Minimum Wage tool found in ERI's **Geographic Assessor**, which provides current minimum wage rates and upcoming scheduled changes for all states and provinces, major cities, and counties in the United States and Canada, as available. To facilitate customized reports, there are two export options provided: users may export recent updates only or export minimum wage rates for any combination of states or provinces, plus the District of Columbia, and the federal rate.

The interactive map helps users quickly identify state or province minimum wage rates and review additional details, such as minimum wage rates specific to a particular industry, employee group, or company size. New for 2018, data for Canada are now included. Also, the darker the color of the state on the U.S. map, the further the minimum wage is from the federal rate.

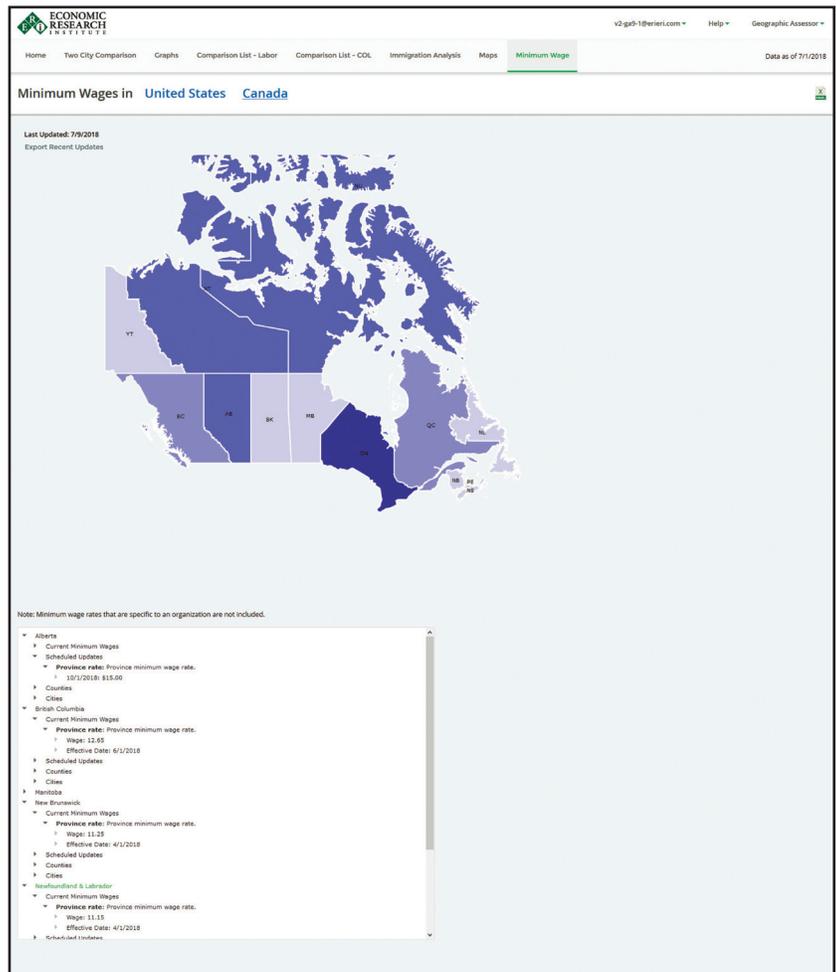
Below is a sample of some recent changes to minimum wage rates in Canada that are included in ERI's up-to-date Minimum Wage database:

## Province Minimum Wage

- Alberta: Increase to \$15.00 (effective October 1, 2018)
- British Columbia: Increase to \$12.65 (effective June 1, 2018)
- New Brunswick: Increase to \$11.25 (effective April 1, 2018)
- Prince Edward Island: Increase to \$11.55 (effective April 1, 2018)
- Québec: Increase to \$12.00 (effective May 1, 2018)
- Yukon Territory: Increase to \$11.51 (effective April 1, 2018)

To learn more about how ERI's **Geographic Assessor** can help you navigate the ever-changing world of minimum wage laws at the federal, state or province, county, and city level, please visit [www.eri.com/geographicassessor](http://www.eri.com/geographicassessor) or call us at 800-627-3697. Those new to the **Geographic Assessor** can try a free demo at

[www.eri.com/demo](http://www.eri.com/demo) or sign up for a guided tour at [www.eri.com/guidedtour](http://www.eri.com/guidedtour).



## Participation Opens for 2019 Surveys

ERI is collecting information for our 2019 collection of industry and job function salary surveys from October 1, 2018, to March 29, 2019, with results published in early July 2019 via our **Salary Surveys** cloud application. During the participation period, organizations can contribute information using an Excel questionnaire or an online questionnaire accessible via the cloud **Assessor Series** homepage (request login credentials at [www.erieri.com/salariesurveys/participate](http://www.erieri.com/salariesurveys/participate)). As with all of ERI's surveys, participants will receive a significant discount toward the purchase of the survey report and a complimentary copy of the executive summary, as available. ERI **Assessor Series** subscribers that participate in a survey are eligible to receive the survey report for free. For more information about ERI's surveys, visit [www.erieri.com/surveys](http://www.erieri.com/surveys).

ERI's **Top Management and Executive Compensation Survey** includes annual and long-term incentive plans, equity, and other non-cash compensation, in addition to annual salary and discretionary bonus, for top positions across all industries and revenue groups. Organizations can contribute information for this survey through an Excel questionnaire, available at [www.erieri.com/salariesurveys/participate](http://www.erieri.com/salariesurveys/participate).

ERI's **Benefits Benchmarking Survey** has an emphasis on health care benefits with additional sections on retirement benefits, paid time off, executive perquisites, and more. Data cuts are provided by organization sector, industry group, organization size (number of employees), and geographic region. Information for this survey is collected from October 1, 2018, to February 1, 2019, with results published in early April in PDF format. Participants can contribute data for this survey using an Excel questionnaire available at [www.erieri.com/salariesurveys/participate](http://www.erieri.com/salariesurveys/participate).

## New Surveys Available for Purchase

The **2018 US Government Contractors Salary Survey: Aerospace, Defense, Information-Technology** provides market-based pay data for 83 benchmark jobs published in PDF format. Information for each benchmark position includes annual salary, incentive/variable pay, and total direct annual compensation reported by survey mean, median, and percentiles, plus a security clearance break out and position description.

Area: US National		No. of Incumbents	Mean	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	Rate of Error
<b>Survey Participant Databases</b>									
Annual Salary			52,792	30,168	40,521	51,284	70,397	88,780	
Incentive/Variable Pay			1,209	300	594	900	1,716	2,500	
<b>Total Direct Annual Compensation</b>	<b>154</b>		<b>54,001</b>	<b>30,468</b>	<b>41,115</b>	<b>52,184</b>	<b>72,113</b>	<b>91,280</b>	<b>1.79</b>
<b>Security Clearance</b>									
	Confidential	Secret	Top Secret						
	<1%	37%	10%						
<b>Position Description</b>									
Supports an organization or department by performing administrative services. Assists management with administrative tasks such as tracking and compiling information of interest. Prepares various reports detailing the administrative information handled by the position. Reads and answers correspondence. May handle confidential information. NOTE: This is not a secretarial position.									

### The 2019 Salary Increase Survey & Forecast

provides prior year and future estimates of salary structure and budget increases reported by level (general employee, professional, and management) for 20 industry categories by report area and national average. The survey also includes estimated hiring rates by job function and for select positions, as well as trended salary structure movements for over 500 occupational groups throughout the U.S. and Canada. The complete **2019 Global Salary Increase Projections** table is also included in the report. This survey is available via our **Salary Surveys** cloud application. For more information, please call 800-627-3697 or email [survey.sales@erieri.com](mailto:survey.sales@erieri.com).

## Assessor Training

Webinar schedules below are in Pacific Time.

### Salary Assessor® Training

October 9, 2018 – 9:00 AM - 10:00 AM  
November 6, 2018 – 9:00 AM - 10:00 AM  
December 11, 2018 – 9:00 AM - 10:00 AM

### Executive Compensation Assessor® Training

October 11, 2018 – 9:00 AM - 10:00 AM  
November 13, 2018 – 9:00 AM - 10:00 AM  
December 18, 2018 – 9:00 AM - 10:00 AM

### Geographic Assessor® Training

October 4, 2018 – 9:00 AM - 10:00 AM  
November 1, 2018 – 9:00 AM - 10:00 AM  
December 6, 2018 – 9:00 AM - 10:00 AM

### Relocation Assessor® Training

October 25, 2018 – 8:00 AM - 9:00 AM  
November 30, 2018 – 8:00 AM - 9:00 AM

### Nonprofit Comparables Assessor™ Training

November 15, 2018 – 9:00 AM - 10:00 AM

## HR Webinars

ERI Distance Learning Center provides HR professionals with online courses for further training and development.

### Designing Pay Structures

October 2, 2018 – 9:00 AM - 10:30 AM  
This course will follow a detailed case study covering how to design and deliver a competitive, market-priced pay structure with salary grades.

### Salary Administration

November 13, 2018 – 9:00 AM - 10:30 AM  
This course will present various approaches to effectively design, administer, and communicate salary increases and other compensation programs.

### Introduction to Global Compensation

December 11, 2018 – 9:00 AM - 10:30 AM  
This course will provide a detailed overview of global compensation for HR professionals who are new to the field and those experiencing international business growth.

Visit [www.eri.com/webinars](http://www.eri.com/webinars)



## How to Design an Annual Incentive Plan

An annual incentive plan is an important component of the overall total compensation program. It is the most common of all short-term incentive plan practices and includes a performance period of one year or less. An effective annual incentive plan will motivate plan participants to ensure the accomplishment of individual, team, business unit, and/or organization-wide goals and objectives. The alignment of plan participant rewards to organizational goals is important in a high-performing company and an engaged workforce. This new whitepaper addresses the following issues in the design of an annual incentive plan:

- Defining eligibility criteria and market competitive pay at risk
- Assessing the business life cycle and related objectives of the business
- Designing performance measures, including financial, operational, and individual measures
- Funding the annual incentive plan
- Establishing threshold, target, and maximum goals for performance measures
- Implementing payouts under the plan
- Documenting and communicating the plan to ensure successful outcomes

For details on designing an annual incentive plan, read the white paper at [www.eri.com/whitepapers](http://www.eri.com/whitepapers).