



# 2018 General Industry Salary Budget Survey - U.S.

## Results preview

Thank you for participating in the **2018 General Industry Salary Budget Survey - U.S.** To express our appreciation, we are providing you with a preview of the survey results.

Your preview includes data on total salary increases, promotional increases, variable pay and salary increases related to performance ratings. The data are segmented by employee groups, including executives; management, excluding executives; exempt, nonmanagement; nonexempt salaried; and nonexempt hourly.

The average salary increases are reported with zero-percent responses included and excluded.

The 2018 General Industry Salary Budget Survey - U.S. was conducted in late April 2018 through early July 2018. The complete results are based on the responses of 814 organizations and will be available in mid-September.

## Online data delivery

The **2018 General Industry Salary Budget Survey Report - U.S.** will be available at no charge to you, which features the ability to view, download and print reports.

## Key observations

- Fewer organizations are projecting salary freezes in 2019 (2.6% of respondents) than in 2017 (4.4%).
- An increase in discretionary bonus awards is expected in 2019 across most employee groups.
- Average total salary increases (where companies granted increases) in 2018 are holding steady compared with total average salary increases granted in 2017 across most employee groups.
- Those rated as “above average” performers typically receive salary increases that average 70% higher than those with an “average” rating.



# Total salary increases

## Total increases, percentage of salary

Where companies granted increases

### Entire sample combined

	2017 salary increases		2018 salary increases		2019 salary increases	
	Average % granted	Number of responses	Average % budgeted	Number of responses	Average % projected	Number of responses
Executives	3.3%	520	3.2%	551	3.1%	520
Management, excluding executives	3.0%	582	3.1%	621	3.1%	566
Exempt, nonmanagement	3.1%	585	3.0%	623	3.1%	568
Nonexempt salaried	2.9%	397	3.0%	424	3.0%	397
Nonexempt hourly	2.9%	499	2.9%	537	3.0%	497

## Total increases, percentage of salary

Including companies granting no increases

### Entire sample combined

	2017 salary increases		2018 salary increases		2019 salary increases	
	Average % granted	Number of responses	Average % budgeted	Number of responses	Average % projected	Number of responses
Executives	3.1%	557	3.0%	585	3.0%	534
Management, excluding executives	3.0%	594	3.0%	630	3.1%	572
Exempt, nonmanagement	3.0%	597	3.0%	633	3.1%	574
Nonexempt salaried	2.7%	434	2.8%	457	2.9%	423
Nonexempt hourly	2.8%	521	2.8%	558	2.9%	513

# Promotional increases

## Formal promotional increase budgets

### Entire sample combined

Organizations that have an established formal promotional increase budget		Number of responses
Number of organizations	Percentage of organizations	
195	24.8%	786

## Average overall promotional increase budget as a percentage of total base salaries

### Entire sample combined

25th percentile	Median	75th percentile	Average	Number of responses
0.5%	0.5%	1.0%	0.8%	144

# Variable pay

## Short-term incentive/bonus

### Entire sample combined

	2017 actual short-term incentive/bonus granted (as % of total base salaries)		2018 short-term incentive/bonus budgeted (as % of total base salaries)		2019 short-term incentive/bonus projected (as % of total base salaries)		Number of responses
	Average	Median	Average	Median	Average	Median	
Executives	47.4%	40.0%	44.6%	40.8%	43.8%	40.0%	373
Management, excluding executives	22.5%	19.0%	22.0%	19.0%	21.3%	19.0%	391
Exempt, nonmanagement	12.1%	10.3%	11.7%	10.0%	11.7%	10.0%	352
Nonexempt salaried	7.0%	6.1%	6.6%	6.0%	7.1%	6.0%	188
Nonexempt hourly	6.2%	5.0%	5.8%	5.0%	5.7%	5.0%	206

## Discretionary bonus awards

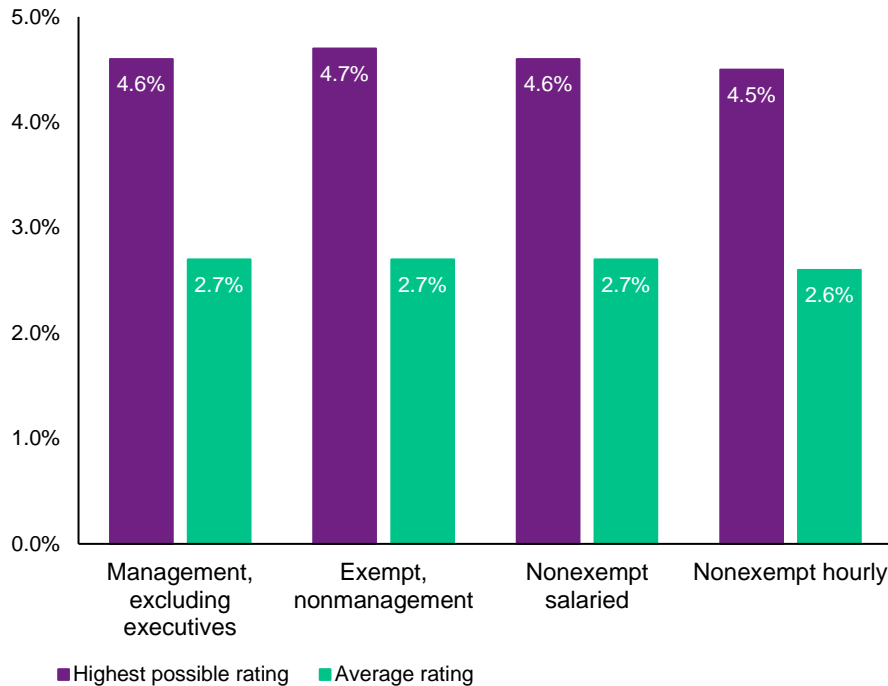
### Entire sample combined

	2017 actual discretionary bonus awards granted (as % of total base salaries)		2018 discretionary bonus awards budgeted (as % of total base salaries)		2019 discretionary bonus awards projected (as % of total base salaries)		Number of responses
	Average	Median	Average	Median	Average	Median	
Executives	21.6%	6.5%	21.9%	10.0%	21.3%	8.0%	70
Management, excluding executives	8.2%	3.2%	9.0%	5.0%	9.3%	5.0%	93
Exempt, nonmanagement	5.3%	4.0%	5.7%	5.0%	5.9%	5.0%	82
Nonexempt salaried	4.3%	3.0%	4.8%	3.8%	4.9%	3.5%	56
Nonexempt hourly	3.7%	3.0%	3.9%	3.0%	3.9%	3.0%	67

# Salary increases related to performance ratings

## Performance ratings and average salary increases

Where companies granted increases



### Entire sample combined

	Average salary increase % granted for those with highest possible rating	Average salary increase % granted for those with above-average rating	Average salary increase % granted for those with average rating	Average salary increase % granted for those with below-average rating	Number of responses
Management, excluding executives	4.6%	3.6%	2.7%	0.8%	507
Exempt, nonmanagement	4.7%	3.6%	2.7%	0.7%	502
Nonexempt salaried	4.6%	3.6%	2.7%	0.7%	315
Nonexempt hourly	4.5%	3.6%	2.6%	0.7%	390

The disparity in salary increases between “stars” and average performers remains pronounced. Employees receiving the highest possible rating were granted an average increase of 4.6%, 70% higher than the 2.7% increase granted to those receiving an average rating.

# Salary increases related to performance ratings (continued)

## Performance ratings and average salary increases for management, excluding executives

Where companies granted increases

### Entire sample combined

Performance rating	Average % of incumbents rated at this level	Average salary increase granted
Highest possible rating	13.5%	4.6%
Above-average rating	36.1%	3.6%
Average rating	55.0%	2.7%
Below-average rating	5.5%	0.8%

Number of responses: 507

## Performance ratings and average salary increases for exempt, nonmanagement

Where companies granted increases

### Entire sample combined

Performance rating	Average % of incumbents rated at this level	Average salary increase granted
Highest possible rating	10.5%	4.7%
Above-average rating	33.4%	3.6%
Average rating	58.7%	2.7%
Below-average rating	5.6%	0.7%

Number of responses: 502

## Performance ratings and average salary increases for nonexempt salaried

Where companies granted increases

### Entire sample combined

Performance rating	Average % of incumbents rated at this level	Average salary increase granted
Highest possible rating	10.7%	4.6%
Above-average rating	30.9%	3.6%
Average rating	60.7%	2.7%
Below-average rating	8.7%	0.7%

Number of responses: 315

## Performance ratings and average salary increases for nonexempt hourly

Where companies granted increases

### Entire sample combined

Performance rating	Average % of incumbents rated at this level	Average salary increase granted
Highest possible rating	10.3%	4.5%
Above-average rating	29.9%	3.6%
Average rating	63.2%	2.6%
Below-average rating	7.2%	0.7%

Number of responses: 390

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