

Northwest Compensation & Rewards Forum (NCRF)

As the local chapter of WorldatWork, we are an association of total rewards professionals in the Puget Sound.

NCRF exists for the benefit of its members to:

- Promote the exchange of information, ideas, plans, and policies in the field of total rewards
- Support broad networking opportunities to bring together practitioners and experts in the field
- Provide education offerings of WorldatWork

Find us at: nwcompforum.org



Upcoming Events

Rewards NW produced by Total Rewards PDX & NCRF

- The only total rewards conference in the Pacific Northwest
- Save the date: Tuesday October 6, 2020
- Working to shift to a virtual offering in October and reschedule a full in-person conference in 2021
- Keep an eye out for updates via email and www.rewardspnw.com

NCRF Scholarships

Our newest scholarship winner!

- The NCRF Scholarship Program awards scholarships to NCRF members who are pursuing at least one WorldatWork certification designation
- The scholarship is \$1,350 or the cost of one NCRF sponsored WorldatWork course at the time of registration, whichever is less
- Recipients have two years in which to utilize the scholarship
- For future scholarship opportunities: find the Scholarship Application under “Training” at <https://nwcompforum.org/>
- And the winner is... **Mary Freiburger!**



Highlights & hot topics from the 2020 Puget Sound & Portland Area Compensation Surveys

JULY 15, 2020

Larry Daniels
Lauren Busey
Heidi tenBroek



Caveats

The information provided in today's presentations should be considered incomplete without the benefit of the discussion that accompanied it. The observations described in the presentations are not necessarily applicable to any specific organization. Users of the information provided in this presentation should be advised by professionals with experience in relevant domains.

The opinions provided in the presentations are those of the authors/presenters and should not be attributed to Milliman, Inc.

Today's presenters



Larry Daniels, Compensation



Lauren Busey, Compensation



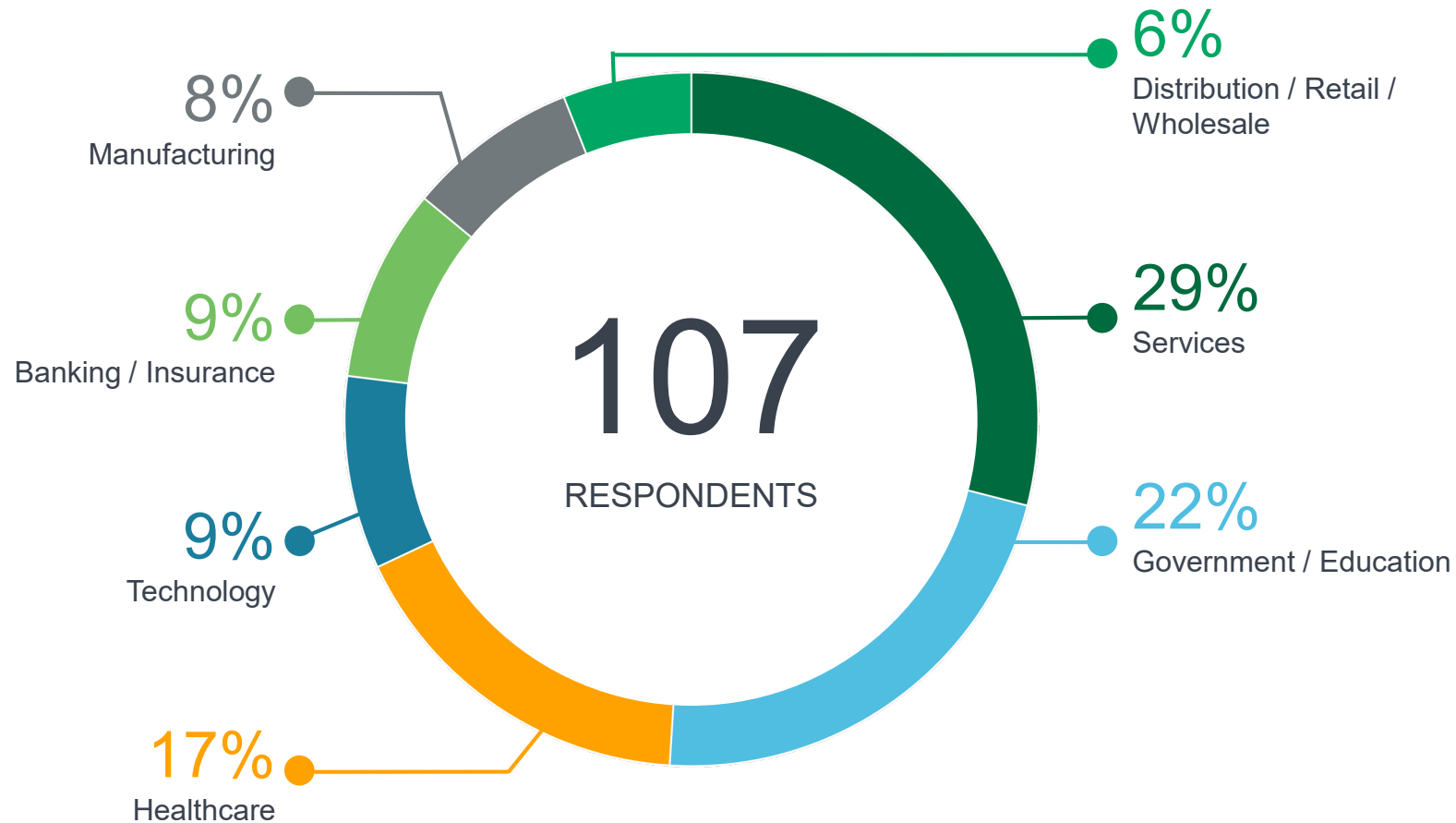
Heidi tenBroek, Communications



LIVE POLL 1

- In which industry do you work?
- What is your role within your organization?

In which industry do you work?



Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=107).

What is your role within your organization?



67% Compensation or benefits professional



29% Other HR professional



4% Other

Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=107).

Agenda

1. What does the data show?
 - Puget Sound Area Compensation Survey
 - Portland Area Compensation Survey
 - Brief pause for questions
2. The current landscape
3. Responding to the changing environment
4. Additional hot topics
5. Communicating with employees
6. Q&A



What does the data show?

What does the data show?

2020 PUGET SOUND AREA COMPENSATION SURVEY

Pay data, salary trends & compensation program prevalence

39th Annual Survey



123 participating employers

190 jobs surveyed -

Nonexempt & selected exempt positions

Data released

July 1, 2020

Data effective

April 1, 2020

- Complies with **Safe Harbor Guidelines** requiring pay data to be at least **3 months old**
- Guidance provided by **Steering Committee** of local HR leaders

2020 Puget Sound Area Compensation Survey

Notable findings



ACTUAL SALARY MOVEMENT

Average across all jobs, 2019 to 2020 at the same organizations

- **Base Wage** 3.3% increase
- **Range Midpoint** 2.5% increase



N/E SALARY INCREASE BUDGETS

2020 → 2.9% base, 2.3% ranges

2021 → 2.6% base, 2.1% ranges
with more freezes reported

HOT JOBS - Examples

- | | |
|---------------------------------|------|
| ▪ Food Service Worker | 7.2% |
| ▪ Data Analyst | 6.8% |
| ▪ HR Strategic Bus. Partner Sr. | 5.5% |
| ▪ Mail Clerk | 5.4% |
| ▪ Compensation Analyst Sr. | 5.0% |
| ▪ Customer Service Rep. Sr. | 4.3% |
| ▪ Accounting Supervisor | 3.9% |
| ▪ Customer Service Rep. | 3.6% |



Source: Milliman Puget Sound Area Compensation Surveys, April 2019-2020

What does the data show?

2020 PORTLAND AREA COMPENSATION SURVEY

Pay data, salary trends & compensation program prevalence

38th Annual Survey



87 participating employers

210 jobs surveyed -

Nonexempt & selected exempt positions

Data released

May 7, 2020

Data effective

January 2020

- Complies with **Safe Harbor Guidelines** requiring pay data to be at least **3 months old**
- Guidance provided by **Steering Committee** of Portland area HR leaders

2020 Portland Area Compensation Survey

Notable Findings



ACTUAL SALARY MOVEMENT

Average across all jobs, 2019 to 2020 at the same organizations

- **Base Wage** 3.4% increase
- **Range Midpoint** 2.9% increase



N/E SALARY INCREASE BUDGETS

2020 → 2.8% base, 2.5% ranges

2021 → 2.9% base, 2.0% ranges with more freezes reported – **NEW!**

HOT JOBS - Examples

- | | |
|-------------------------------|------|
| ▪ Human Resources Manager | 6.2% |
| ▪ Executive Assistant to CEO | 5.9% |
| ▪ Accounting Supervisor | 5.8% |
| ▪ HR Generalist – Senior | 5.7% |
| ▪ HR Generalist | 5.7% |
| ▪ Database Administrator | 5.1% |
| ▪ Mail Clerk | 4.5% |
| ▪ Payroll Specialist - Senior | 4.5% |



Source: Milliman Portland Area Compensation Survey, January 2019-2020



Brief pause for questions

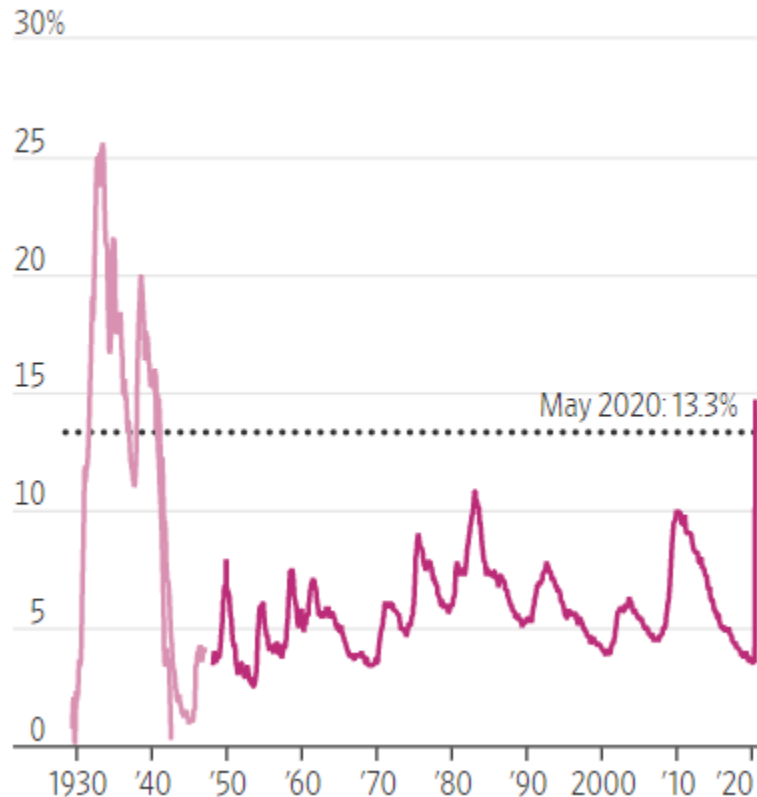


The current landscape

The Upside Down

U.S. unemployment rate, seasonally adjusted

Unemployment rate



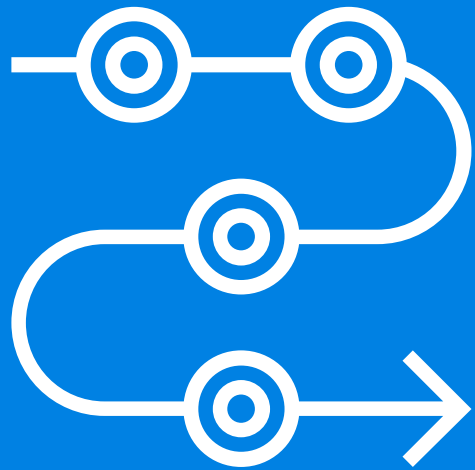
July 14, 2020

Federal Reserve Governor Lael Brainard

“The COVID-19 contraction is unprecedented in modern times for its severity and speed. Following the deepest plunge since the Great Depression, employment and activity rebounded faster and more sharply than anticipated. But the recent resurgence in COVID cases is a sober reminder that the pandemic remains the key driver of the economy's course. A thick fog of uncertainty still surrounds us, and downside risks predominate...The healing in the labor market is likely to take some time.”

Sources: National Bureau of Economic Research(1929-1946); Labor Department (1948-2020) via Wall Street Journal

Note: Seasonally adjusted. Unemployment before 1948 is based on two measures covering 1929-1942 and 1940-1946.



**Responding to the
changing environment**

Up-to-the-moment data



2020 PORTLAND AREA COMPENSATION SURVEY

Midyear Update

Data collected: July 7 – July 14, 2020

Salary Adjustment Trend Update & Rewards Program Changes

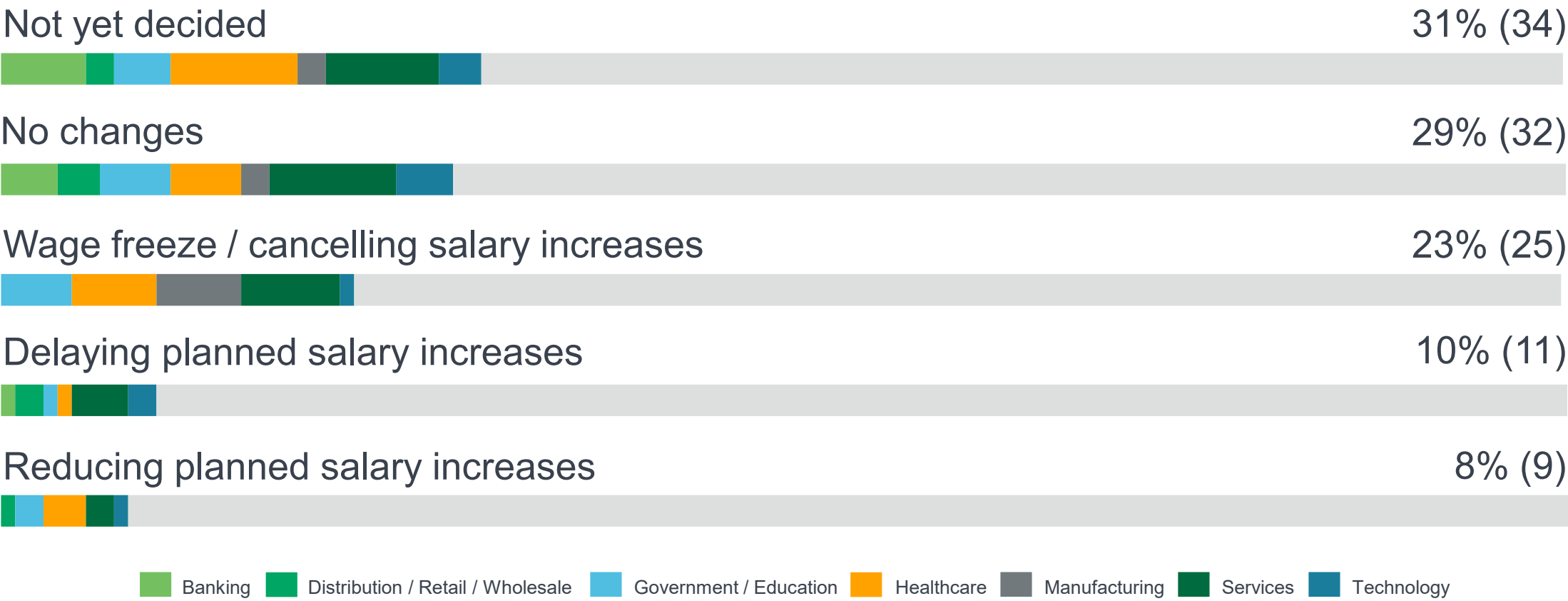
- Salary budget increases
- Changes in hiring
- Furloughs
- Base salary reductions
- Reduction in hours
- Layoffs



LIVE POLL 2

- For the majority of your employees, how is your organization handling planned salary budget increases?

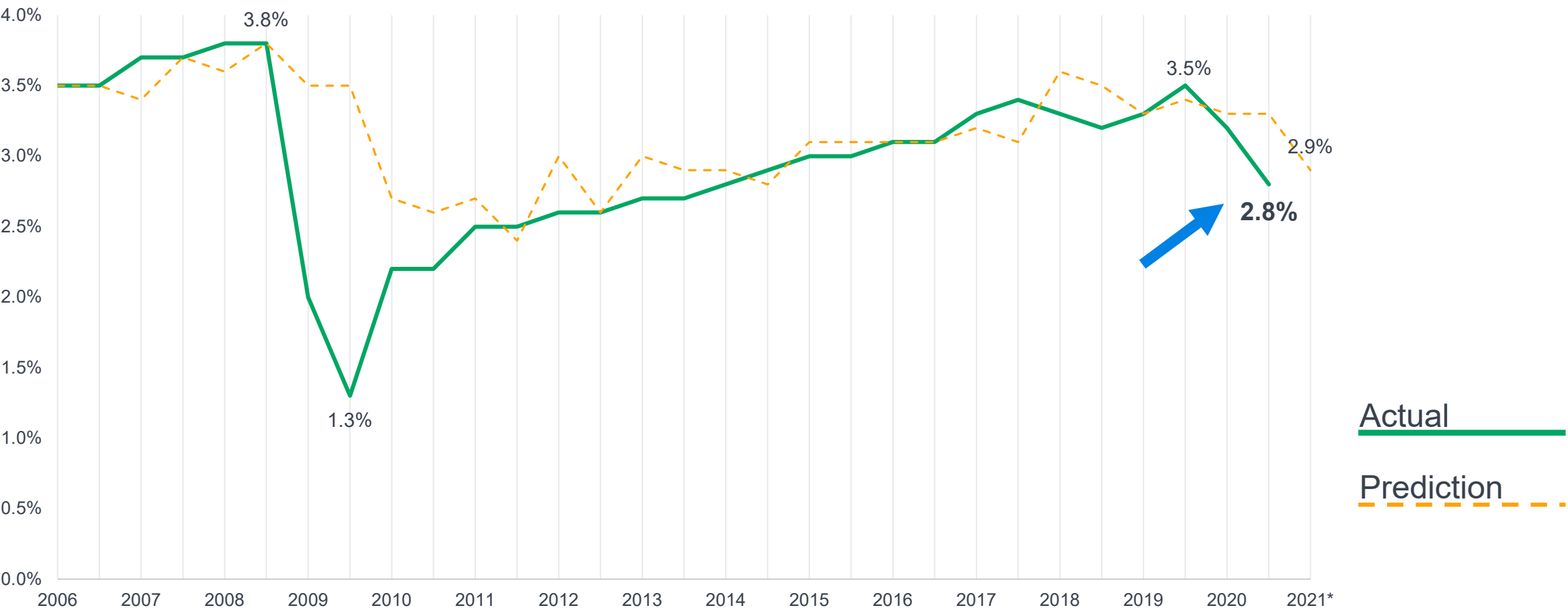
For the majority of your employees, how is your organization handling planned salary budget increases?



Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=111).

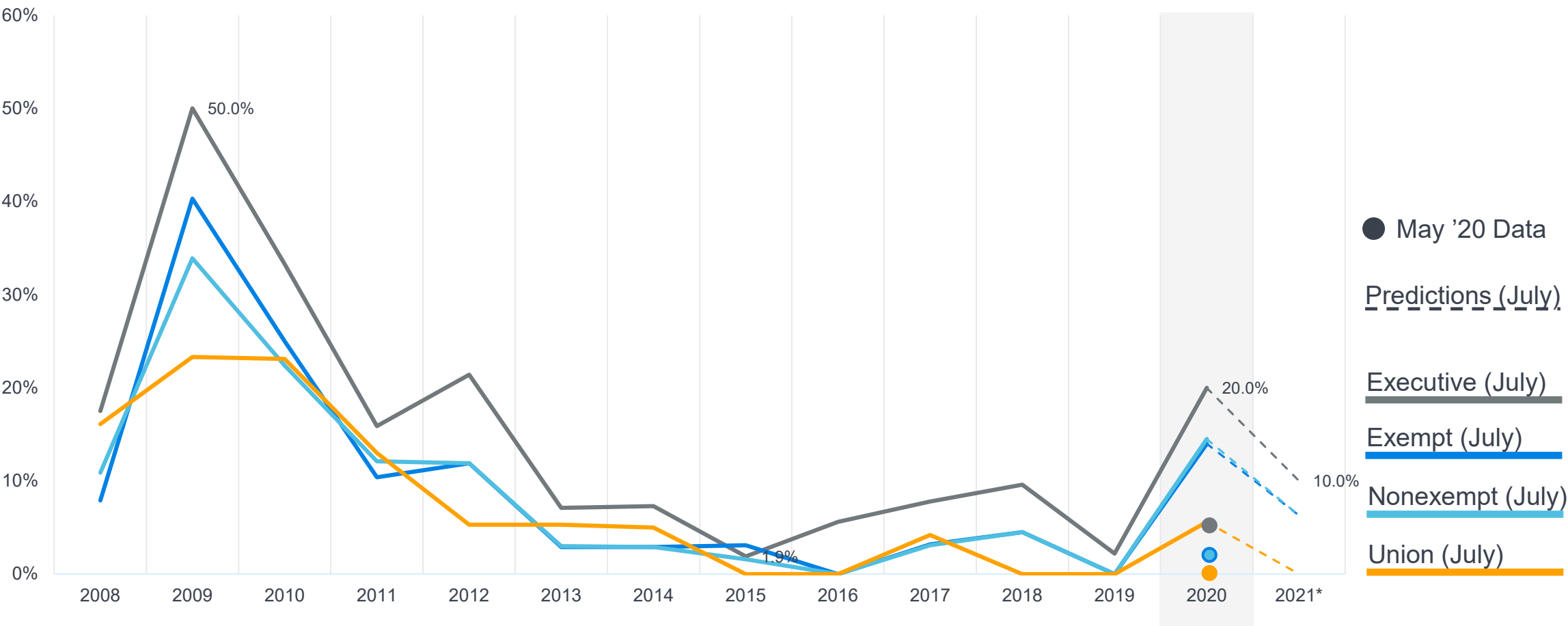
Average nonexempt annual base salary budget increases

Includes zeros



Source: Milliman Portland Area Compensation Survey

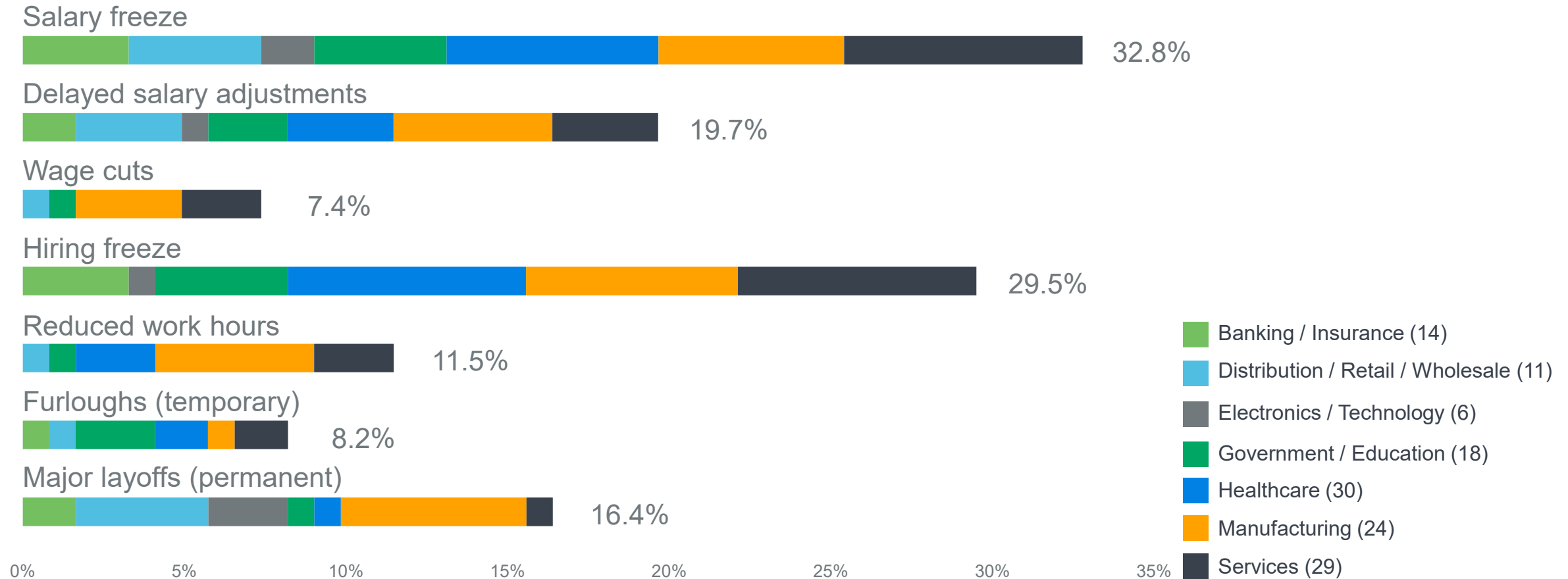
Organizations reporting zero or negative adjustment to annual base salary budgets



Source: Milliman Portland Area Compensation Survey

Responding to the changing environment

Historical perspective - Post 2008 Recession



Source: Milliman Puget Sound Salary Survey, July 2009; Measures taken by participants in the **past 12 months** (n=122)

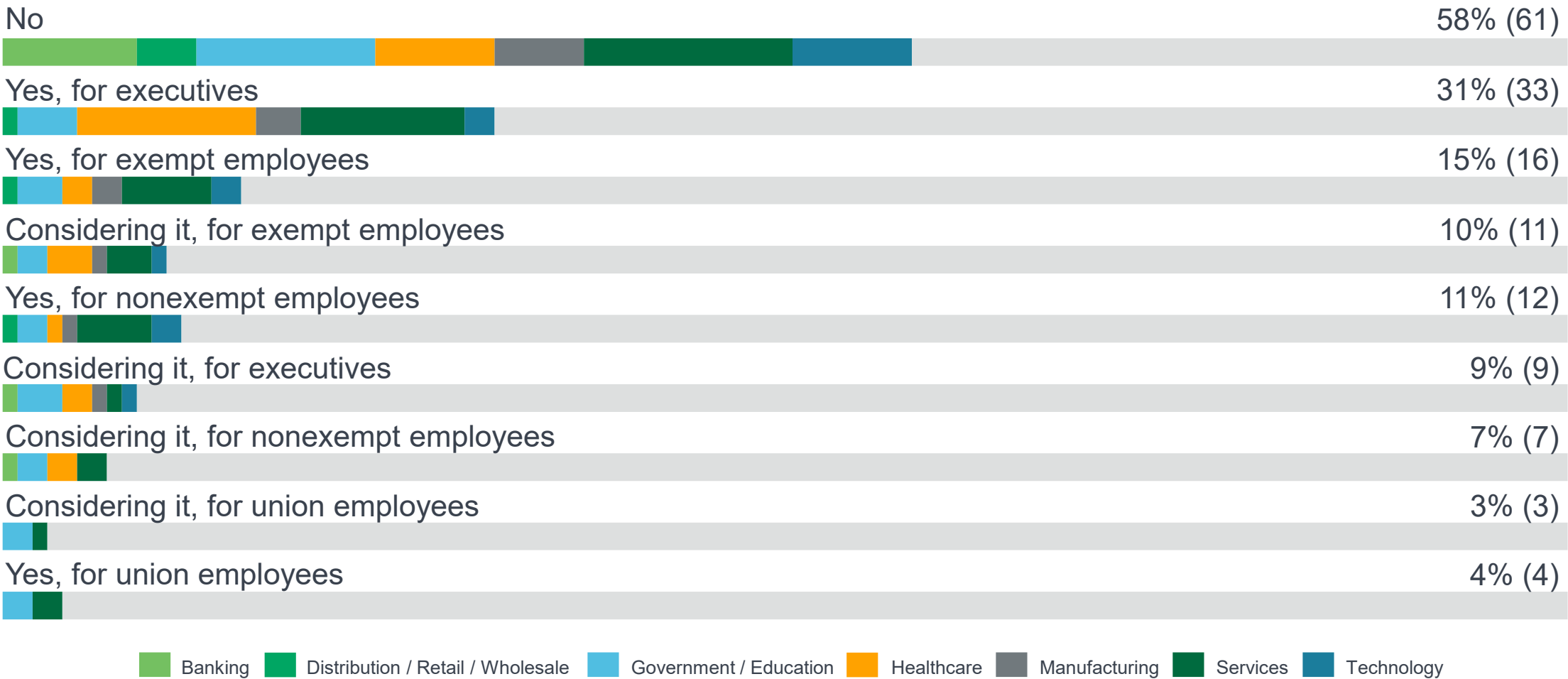


LIVE POLL 3

- Are you implementing salary / wage reductions?
- How is COVID-19 impacting your organization's staffing?

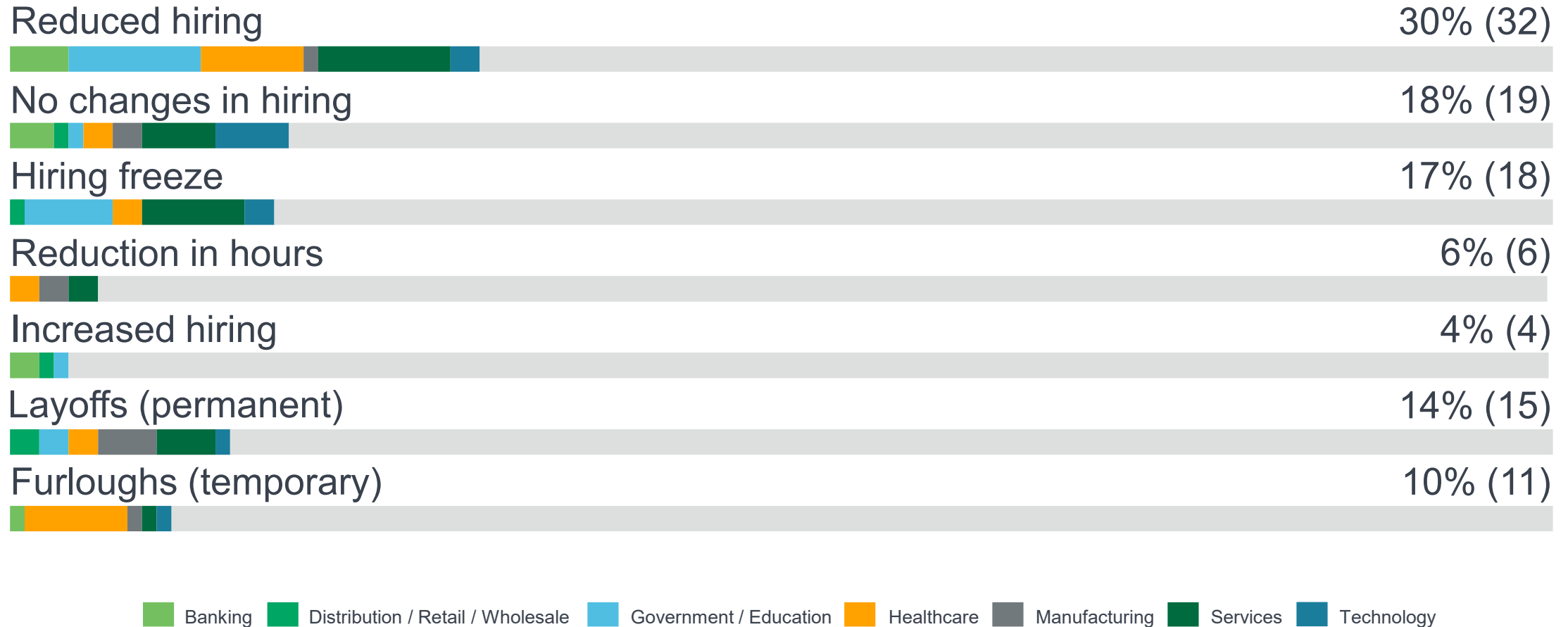
Are you implementing salary / wage reductions?

Select all that apply.



Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=105).

How is COVID-19 impacting your organization's staffing?



Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=105).

Responding to the changing environment

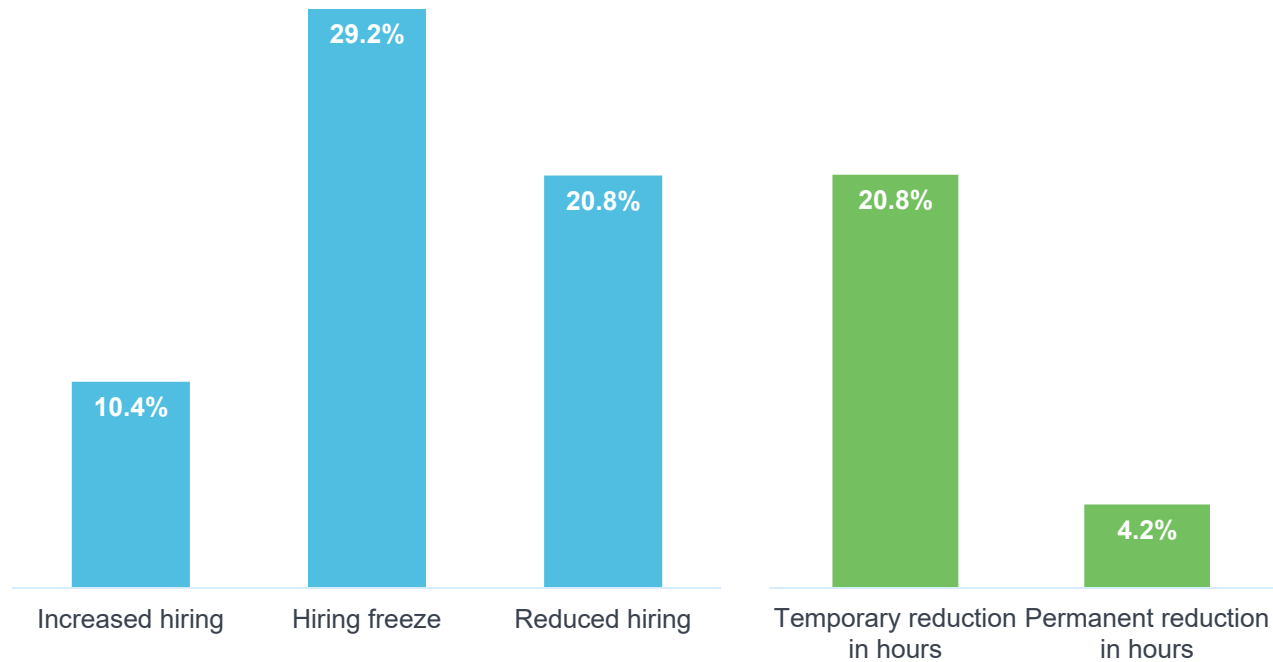
Base salary reductions

Base salary reductions	Voluntary	Involuntary
Temporary	10.4%	14.6%
Permanent	2.1%	4.2%

Source: Milliman 2020 Portland Area Compensation Survey, July 2020 (n=48)

Responding to the changing environment

Staffing changes



Source: Milliman 2020 Portland Area Compensation Survey, July 2020 (n=48)

Responding to the changing environment

Furloughs and layoffs

Furlough

Definition: Temporary leave from which the employee is expected to return to work or to be restored from a reduced work schedule.

- **Occurring** **14.6%**
- **Considering** **2.1%**

Layoff

Definition: Permanent separation from employment due to a lack of work available. Typically the employee holds no blame.

- **Occurring** **25.0%**
- **Considering** **10.4%**

Source: Milliman 2020 Portland Area Compensation Survey, July 2020 (n=48)

Northwest Benefits Survey Briefing Webinar



Milliman's 2020 Northwest Benefits Survey has been released!

Please join Dave Evans, Charlie Clark and Garry Simmons for a review of key findings and emerging trends that will have both regional and national implications for employers and plan sponsors.

Tuesday, August 4

10:00 a.m. - 11:00 a.m. PT

Register for the complimentary event at <https://tinyurl.com/NWbenefits2020>

Contact salary.survey@Milliman.com with any questions



Additional hot topics

“An increase in remote working could become the most influential legacy of COVID-19.”

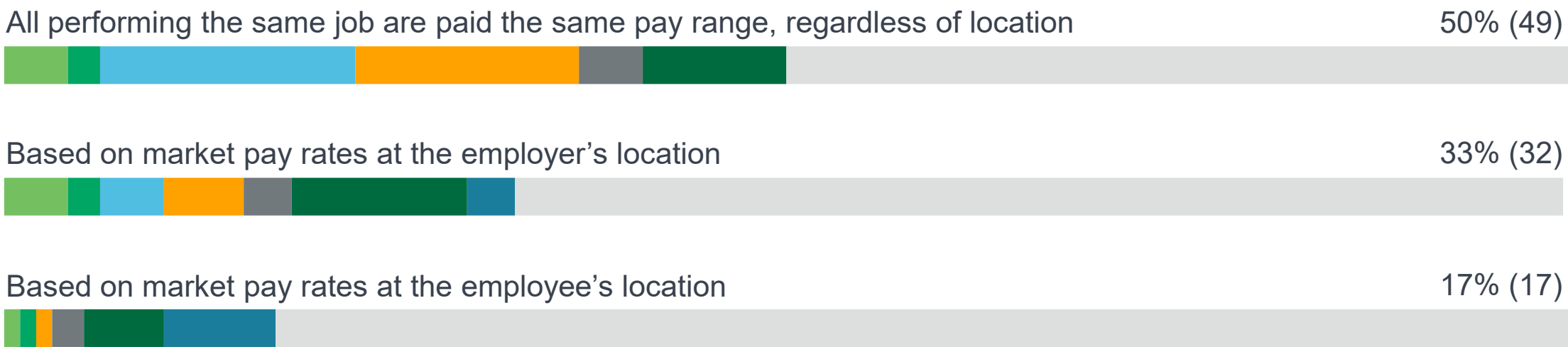
*—Immediate Responses to Planning for the Reimagined Workplace,
The Conference Board, Inc., June 2020*



LIVE POLL 4

- For your employees working remotely, how do you set their compensation?

For your employees working remotely, how do you set their compensation?



Banking Distribution / Retail / Wholesale Government / Education Healthcare Manufacturing Services Technology

Source: Results of live in-webinar poll on July 15, 2020. Duplicate submissions within the same organization were eliminated from the data set (n=98).

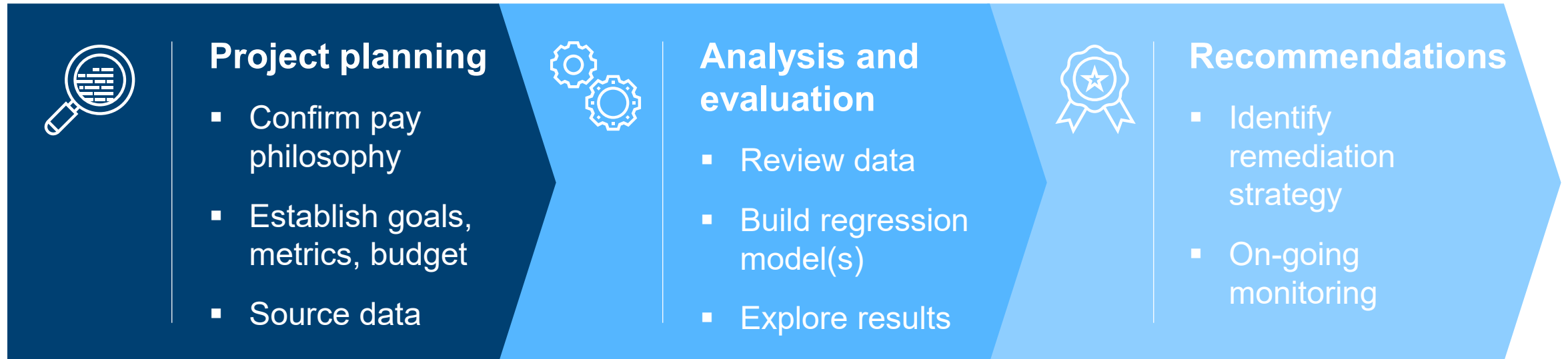
Remote work

Geographic Salary Differentials

	Percent of Companies Reporting Operations in this Geographic Area	Percent of Companies with Operations, reporting an Established Salary Differential	Average Salary Differential Above / Below Puget Sound Rates (Companies Reporting an Established Salary Differential)*
Washington State, outside of King/Pierce/Snohomish County area:	45.6%	22.6%	-11.1
Alaska (Anchorage Area):	10.3%	28.6%	NA
Oregon (Portland Area):	19.1%	46.2%	-6.4
California (Bay Area):	16.2%	54.5%	14.3
California (L.A. area):	14.7%	20.0%	6.2

Source: Milliman 2020 Puget Sound Area Compensation Survey

Pay equity analysis





Communicating with employees

Communicating with employees

A time of rapid change



Frequency. Communicate often and maintain consistency. Don't wait until you have all the answers.



Channels. Keep open lines for two-way communication.



Audience. Lead with empathy. Think about the issues from the employees' point of view. This is personal – health, safety, money, anxiety.

Communicating with employees



1. **Who** is affected?
2. **What** are you doing to keep employees safe?
What do I need to do?
3. **When** is it happening?
When do I need to do something?
4. **Where** do I find answers/support?
5. **Why** is it happening?



Questions

We'll get through this!

Minh-Tu Dinh
Client Service Coordinator



Jeannine Conway
Senior Web Developer



Larry Daniels
Principal & Survey Director



Heidi tenBroek
Principal & Senior
Communication Consultant



David Evans
Survey Manager



Casey Mochel
Marketing Coordinator



Lauren Busey
Compensation Consultant &
Project Manager



Thank you

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