



NEWS RELEASE

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## **Most Bay Area employers sticking with 2009 pay, hiring plans**

OAKLAND, Calif. (10/27/08) – Given the uncertain state of the economy, many may be surprised – and encouraged – to learn that nearly three quarters of a broad cross-section of Bay Area employers have just reported they are currently sticking with plans to grant pay raises averaging 3.3 percent in 2009.

A quarter of 75 organizations who were first surveyed during the summer, then re-surveyed in mid-October, have in that short time chopped their plans for 2009 salary hikes, by an average of more than half. CompAnalysis, an Oakland compensation consulting firm, gathered data for its annual Greater San Francisco Bay Area Compensation Survey from 154 employers representing a total of 40,355 employees in 11 Bay Area counties. The 75 were re-surveyed during October.

Three quarters of the latter group said they have made no change in their plans, with goals that still call for 2009 salary hikes averaging 3.3 percent. Just 24 percent of those employers said they have scaled back to an average of 1.2 percent as of now.

Twenty-three percent of the re-survey group also said they now expect workforce reductions averaging 10 percent, while 19 percent are still forecasting workforce growth next year averaging 8 percent. No changes are forecast by the majority.

“The Bay Area remains a very competitive job market,” CompAnalysis Managing Principal Shari Dunn noted. “Even now, when our country’s economy is of such concern, employers compete with each other to attract and keep competent employees,” Dunn said. “The labor market is not directly affected by inflation in the cost of living – rather it fluctuates based on the supply of and demand for qualified employees on a day-to-day basis.”

CompAnalysis published its 175-page 2008 report based on the summer survey on Oct. 1. It includes specific pay rates for 87 typical job classifications across a broad range of industries, including consumer goods, manufacturing, technology, banking, health care, professional services, government, education, social services, arts and cultural organizations. The survey is described at [www.salarysurveys.com](http://www.salarysurveys.com).

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After recent, rapid changes in the economy, Dunn said she decided to re-contact respondents to see if their plans and perceptions had changed. Given the grim news being reported almost daily about business closures and job losses, she was surprised by the number of employers who are holding steady.

In addition to their plans to expand or reduce their workforces and make changes in pay, employers were asked about their perceptions of the state of the Bay Area economy as well as the economic prospects for their own company or organization.

They were already concerned about the economy last summer, when only 2 percent viewed it as improving and 66 percent saw conditions growing worse. In the more recent survey, optimists fell to just 1 percent, and pessimists grew to 71 percent.

But when the focus was placed on one's organization's own prospects, the outlook brightened considerably – though still worsening between the summer and mid-October. The majority still saw no change in their own economic health. But the number who saw their prospects improving dropped from 30 percent in July to just 12 percent now. And the number who saw their own conditions growing worse almost doubled, from 16 percent to 31 percent now.

CompAnalysis, an independent compensation and performance management consulting firm, has worked with more than 800 diverse clients from a broad variety of industries including technology, healthcare, manufacturing, agribusiness, financial services, professional firms, not-for-profits and government agencies. The company specializes in designing pay and performance management plans for all types of employers. Learn more at [www.compensation.com](http://www.compensation.com).

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*Media note: A PDF copy of the full report is available, for media use only, upon request.*