

CompAnalysis Pay Practices Survey: Spring 2009

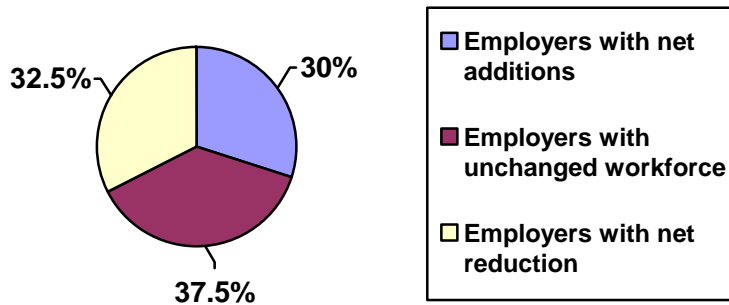
CompAnalysis recently conducted a brief survey to assess how Bay Area employers' policies are being affected by current economic conditions. Forty Bay Area employers submitted data on practices affecting 5,786 total FTEs during the first quarter of 2009. Both for-profit sector (60% of sample) and non-profit sector (40% of sample) employers were represented, with negligible differences in practices between the two sectors. These organizations range in size from several employees to over 500.

“Given the current economic climate, we thought it would be worthwhile to get a snapshot of what local employers are doing now with respect to pay practices to provide up-to-date data for our clients, while we’re launching our 2009 Greater San Francisco Bay Area Compensation Survey,” says Shari Dunn, Managing Principal of CompAnalysis.

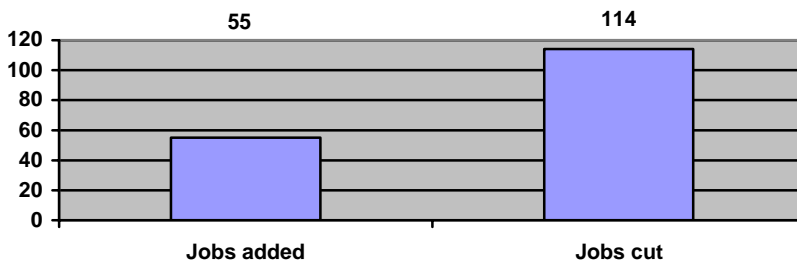
The following table summarizes workforce additions and reductions for these employers during the first quarter of 2009:

	Employers with net additions to workforce		Employers with unchanged workforce		Employers with net reductions from workforce	
	#	% of total	#	% of total	#	% of total
Employers	12	30.0%	15	37.5%	13	32.5%
FTE employees	55	2.9%	n.a.	n.a.	114	4.6%

Changes to workforce, 1st quarter 2009



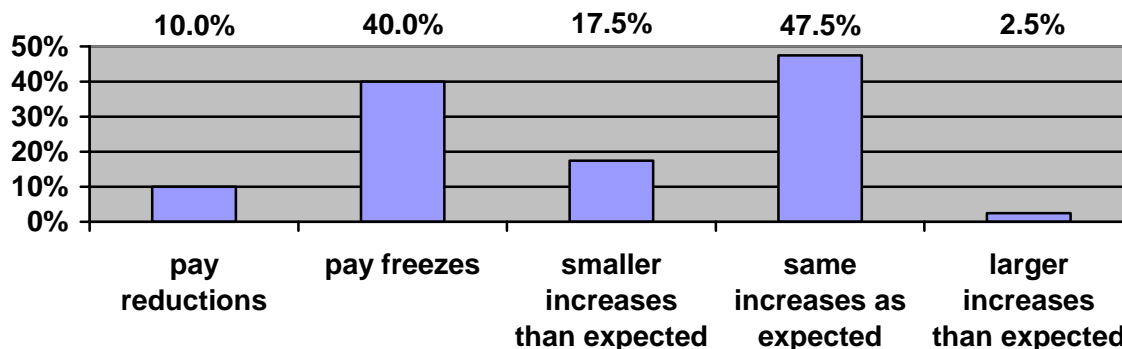
Jobs Added and Cut, 1st quarter 2009



The following table summarizes pay decisions made by these employers during the first quarter of 2009:

Action	% of employers (some indicated multiple actions)	% of employees affected (among these employers)	% of employees affected (total sample)	Average % of pay reduction or increase	Levels/types of positions affected
Pay reductions	10.0%	6.6%	0.9%	11.7%	All or only management level
Pay freezes	40.0%	74.7%	35.0%	n.a.	Usually all, some only management level
Pay increases given but smaller than planned	17.5%	98.7%	10.5%	2.9%	all
Pay increases given as planned	47.5%	27.4%	60.0%	3.6%	all
Pay increases given but larger than planned	2.5%	insufficient data	insufficient data	insufficient data	insufficient data

Employer Pay Actions, 1st quarter 2009 *
 (* some employers chose multiple actions)



“The survey results present a mixed picture,” says Dunn. “On one hand, an unusually large proportion of employers are freezing pay levels for at least some employees and there are more workforce reductions than additions. But at the same time, we still see many employers granting the pay increases they had originally planned, and a significant group have added to their workforces in early 2009. It will be interesting to see how these statistics change when we publish our 2009 survey in the fall.”

Among the 40% of employers that indicate some pay freezes, most of them (37.5%) have delayed previously planned pay increases for some positions. In these cases the freeze is intended to be temporary and lifted as conditions improve. Delays are expected to range from 3 to 24 months, with an average delay of 10.8 months.

Similar questions are asked in our 2009 Greater San Francisco Bay Area Compensation Survey, for which we are now collecting data. Visit www.salarysurveys.com online for details about the survey. The results will be published on September 30, 2009.