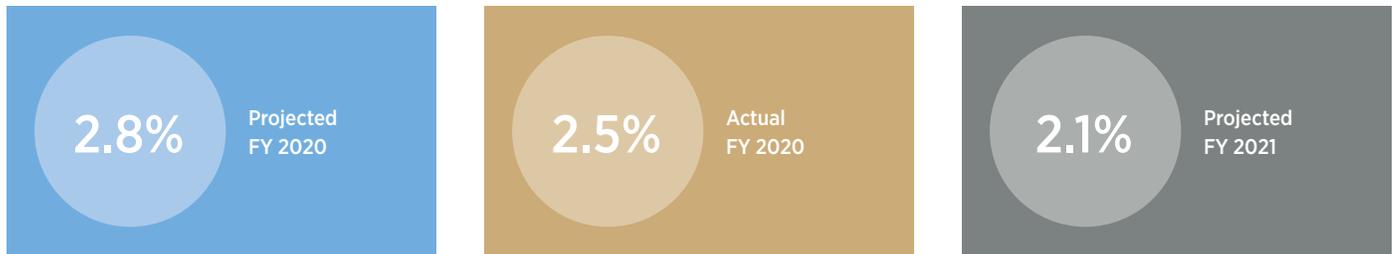


# SALARY INCREASE BUDGETS

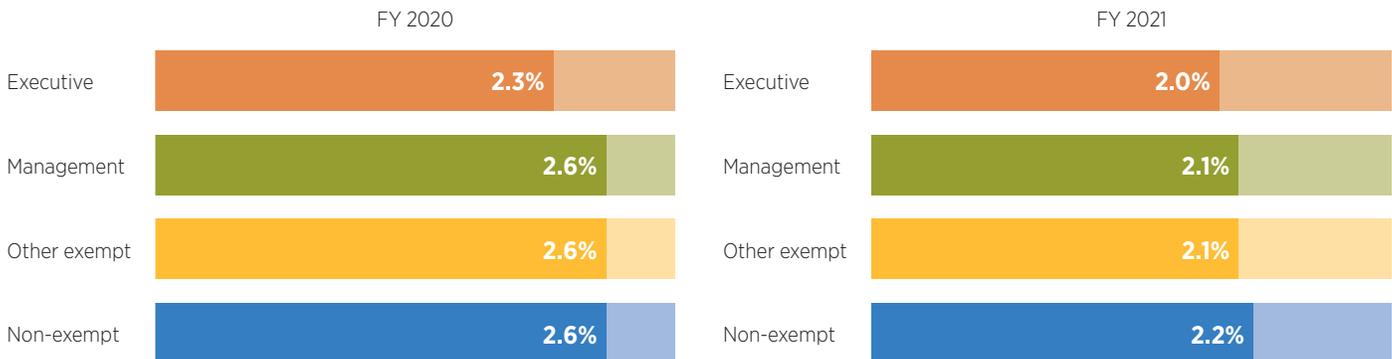
Salary increases were implemented by 66% of employers before the pandemic, but increase budgets have generally decreased in FY 2020. The actual average is 2.5% compared to a projected 2.8%, and the projected average increase for FY 2021 has dropped to 2.1%.

With the continuing economic uncertainty, salary increase plans for FY 2021 have already been affected for 45% of employers. Among this group, 51% expect to reduce salary increases, and 45% expect to suspend them entirely.

## AVERAGE SALARY INCREASES



## AVERAGE SALARY INCREASE BUDGETS BY EMPLOYEE GROUP



**SALARY INCREASE BUDGETS—EXECUTIVE**

*Excerpt from*  
2020/2021 SALARY PLANNING SURVEY REPORT

GENERAL OR COST-OF-LIVING ADJUSTMENT (COLA)\*

Category	ACTUAL FY 2020*			PROJECTED FY 2021		
	Base	Average	Median	Base	Average	Median
ALL	325	2.0%	2.0%	305	1.7%	2.0%
North Central	123	2.1%	2.5%	123	1.8%	2.0%
Northeast	53	2.0%	2.0%	51	1.5%	2.0%
South Central	42	1.9%	2.0%	40	1.7%	2.0%
Southeast	45	1.9%	2.0%	36	1.3%	0.5%
West	62	2.2%	2.5%	54	2.1%	2.5%
For Profit	115	1.8%	2.0%	111	1.6%	2.0%
Nonprofit	206	2.2%	2.3%	191	1.8%	2.0%
Under 100 FTEs	126	2.0%	2.0%	116	1.8%	2.0%
100 to 499 FTEs	125	2.1%	2.5%	122	1.7%	2.0%
500 to 999 FTEs	27	2.3%	2.0%	22	1.6%	2.0%
1,000 or more FTEs	46	2.0%	2.5%	45	1.8%	2.0%

MERIT

Category	ACTUAL FY 2020			PROJECTED FY 2021		
	Base	Average	Median	Base	Average	Median
ALL	585	2.5%	3.0%	543	2.4%	3.0%
North Central	203	2.6%	3.0%	208	2.4%	3.0%
Northeast	105	2.3%	3.0%	94	2.3%	3.0%
South Central	113	2.4%	3.0%	95	2.3%	3.0%
Southeast	96	2.4%	3.0%	87	2.4%	2.7%
West	66	2.6%	3.0%	58	2.8%	3.0%
For Profit	337	2.3%	3.0%	328	2.4%	3.0%
Nonprofit	243	2.7%	3.0%	212	2.4%	2.5%
Under 100 FTEs	135	2.4%	3.0%	124	2.3%	3.0%
100 to 499 FTEs	200	2.5%	3.0%	179	2.4%	3.0%
500 to 999 FTEs	60	2.6%	3.0%	57	2.7%	3.0%
1,000 or more FTEs	189	2.4%	3.0%	181	2.4%	3.0%

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

*This is an excerpt from Gallagher's 2020/2021 Salary Planning Survey Report. To purchase the report, contact [compensationsurveys@ajg.com](mailto:compensationsurveys@ajg.com).*