

# *Executive Summary*

*State of Tennessee Salary, Wage & Benefits Survey*

*2012 - 2013*



*SalarySurveyOnline.com*

*Bringing employers the compensation & benefits data they need.*



The following Executive Summary provides an overview of this year's survey results.

### **MERIT INCREASES**

The overall merit increase projected in Tennessee this year is 2.8 percent (for those employers who are planning to grant a merit increase) compared with 2.7 percent increase in 2011. However, the number of employers planning to grant a merit increase this year is the same as last year at 76% so there are still a lot of employers who are not feeling comfortable with granting increases. The average merit increase projected for next year is also 2.8 percent.

The 2.8 percent projected merit is on target with the 2.8 percent projected for Tennessee from WorldatWork.<sup>1</sup> As with most annual projections, the actual will very likely be something less than the projected.

<sup>1</sup> WorldatWork 2012-2013 Salary Budget Survey

### **TURNOVER**

Fortunately, Tennessee's 8.4 percent unemployment rate as of July 2012 is down quite a bit from 9.8 percent in June 2011. Tennessee is just a few ticks higher than the national unemployment average of 8.1 percent as of August 2012 but still much improved over last year.<sup>2</sup>

The overall average monthly turnover rate in Tennessee is 1.5 percent which is much lower than the national turnover rate of 3.4 percent as of July 2012. We believe the difference between our survey results and the national results are because our survey shows only em-

ployer turnover whereas the national results include discouraged workers dropping out of the job search entirely.

Surprisingly, an historical turnover trend does not continue this year. Hospitality & Restaurants usually experience the highest turnover but, this year, the highest turnover is reported in Health Care at 2.6 percent. Typically, the Government/Education sector has the lowest turnover but, this year, the lowest turnover of 0.7 percent is in Mining, Chemicals & Utilities.

<sup>2</sup> United States Department of Labor, Regional and State Employment and Unemployment Summary, August 2012

### **SALARY RANGE ADJUSTMENTS**

The planned salary range adjustment for exempt is 2.8 percent and non-exempt is 2.7. These projections are significantly higher than national projections of 1.7 percent reported by WorldatWork.

### **BENEFITS**

Initial and anticipated healthcare reform measures put in place last year were probably the cause of some good news for employers this year. This year, more employers, 76.6 percent, reported medical insurance premium rate increases of only 10 percent or less. That's a lot more than last year's results. Conversely, fewer employers (23.4 percent) faced high premium increases of 11 percent or more.

Employee average annual out-of-pocket expenses for employee only coverage (\$2,695) and family coverage (\$5,114) are both lower this year. These are

decreases of 5.7 percent and 10.2 percent respectively from last year.

The employee's portion of the medical premium for employee only is 24.3 percent and is down slightly from 25 percent last year. This rate is within the usual range of 24.5 to 25 percent. The employee's portion of premium for employee plus family also is in keeping with expected rates of 32 to 34 percent. This year's results are 32.3 percent compared to 33.7 percent reported last year.

### **ABOUT THIS SURVEY**

Since 2001, Effective Resources, Inc. has been providing salary, wage, and benefit data for major metropolitan areas in the Southeast. We are pleased to present our fourth annual survey for the State of Tennessee and its major regions via our secure online website, [SalarySurveyOnline.com](http://SalarySurveyOnline.com).

This survey was created, conducted and published by compensation professionals with the active support of the **Tennessee State SHRM Council, Inc.** and its network of thousands of Human Resource professionals along with the **Tennessee Chamber of Commerce and Industry**. Our surveys are developed by professionals for professionals. The survey is an invaluable source of information for employers of all sizes, business owners, Human Resource professionals, and educational institutions with graduating seniors.

Data was collected from 193 participating firms representing 2,776,445 employees with 89,720 employees in the survey area. Surveys were compiled for East, Middle, West Tennessee and the State of Tennessee.

Compensation data for 347 positions was surveyed for 17 functional areas: Banking and Finance, Government/Education, Healthcare, Hospitality, Manufacturing and Distribution, Sales (Retail/Wholesale), Services (Business/Consumer), and other industry groups.

Wage and salary data was provided for 331 jobs in

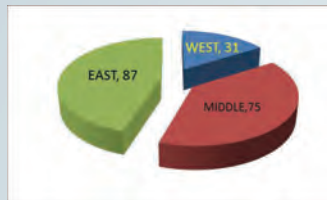
a variety of easy-to-use breakouts including Industry, Region, and Company Size by Employees, and Company Size by Sales/Assets.

The survey also contains comprehensive benefits sections with details for medical premium increases, life insurance and disability plans, medical out-of-pocket costs, 401(k) matching, vacation and sick time, and other important issues facing today's employers.

### PARTICIPANT PROFILE

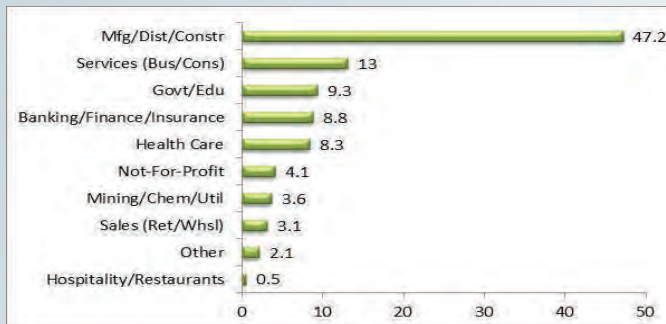
This year's survey was completed by 193 companies with employees in Tennessee. East Tennessee had the greatest number of participants, followed closely by Middle Tennessee and West Tennessee with the least number of participants.

**Fig 1: Participation by Region**



The Manufacturing and Distribution industry is our largest participation group, followed by Services (Business/Consumer), Government & Education and Banking, Finance & Insurance.

**Fig 2: Participation by Industry**



### METHODOLOGY

The 2012 – 2013 State of Tennessee Salary, Wage and Benefits Survey, and its regional surveys, were conducted, tabulated and reported by, a web-based data collection and reporting system designed and managed by Effective Resources, Inc. For returning survey participants, basic company information is provided upon login, for review and updating as necessary. Additionally, returning participants have access to their prior year data submitted to aid in survey completion.

Beginning early 2012, via the Tennessee State SHRM Council, Inc., their twelve chapters, and the Tennessee Chamber of Commerce and Industry, survey information was communicated to all individuals in their databases. In addition, individuals who participated in the past or expressed





interest to participate in our surveys were invited to participate via the survey web site database. The collection period was from August 1, 2012 through August 31, 2012. The wages reported were those in effect as of June, 2012.

Real-time and server validations are built into the questionnaire process. These programming checks flag data that is unexpected or out of acceptable range (i.e. below minimum wage) as it is being entered providing the participant opportunity to review and/or correct their entry. A final validation check flags other errors or shortcomings to survey completion and provides areas of correction to the participant. In order for the survey to be accepted, the participant had to correct these issues. Partially completed or inadequate responses are excluded from this report.

## SUMMARY

With unemployment still high, job creation low -- at best -- and other day-to-day economic realities not much better, many Americans see little difference between last year and this year. The good news is the housing market is beginning to awaken a bit and that's usually a leading indicator of better economic times.

At the time of this writing, we are in an ever contentious election season and the only people helped by this seem to be the media advertisers! Both candidates have 10-year plans to help the economy but neither offer much in the way of short term solutions.

Are things improving? They seem to be but not at a rate that makes much of a difference to employers or employees.

## ACCESSING SURVEY RESULTS

The surveys at [SalarySurveyOnline.com](http://SalarySurveyOnline.com) are excellent support tools for your benchmarking, planning and budgeting processes. Our surveys afford you the ability to review benefits and compare your pay rates with others of similar size, industry and geographic region so you can make informed decisions.

Survey results are available in a variety of formats to suit your work style and priced to fit the tightest budget.

To review the surveys available and/or purchase the results, contact your local Tennessee SHRM Chapter, the Tennessee SHRM State Council, the Tennessee Chamber of Commerce and Industry, go to [SalarySurveyOnline.com](http://SalarySurveyOnline.com) or call us at (800) 288-6044 during normal business hours.

## ABOUT US

Our managing firm, Effective Resources, Inc., also provides consulting services in Affirmative Action plan preparation, compensation planning, incentive plan design, market pricing, employee opinion surveys, and other analytically-demanding projects. Contact us at <http://www.EffectiveResources.com>

Programming provided by Strick Technologies, LLC., a computer consulting firm specializing in the development of custom Internet based applications. Contact us at <http://www.Strick.com>

In conjunction with:



[SalarySurveyOnline.com](http://SalarySurveyOnline.com)



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