



*Executive Summary*

*State of Tennessee Salary, Wage & Benefits Survey*

*2013 - 2014*

*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 for this year is 2.8 percent (for those employers who are planning to grant a merit increase) and is unchanged from 2012. However, the number of employers planning to grant a merit increase this year (60.5 percent) is significantly lower than last year (76.0 percent). Perhaps employers aren't feeling as comfortable with the economy as the government would like them to be.

The percentage average merit increase projected for next year is 2.6 percent. This is lower than the 3.0 percent projected for Tennessee from WorldatWork.<sup>1</sup> Looking back at past results, the actual will very likely be a few ticks less than the projected.

<sup>1</sup> WorldatWork 2013-2014 Salary Budget Survey

### **TURNOVER**

Tennessee's 8.4 percent unemployment rate as of July 2013 is only slightly changed from percent in July 2012. However, Tennessee is much higher than the national unemployment average of 7.4 percent as of July 2013.<sup>2</sup>

The overall average monthly turnover rate in Tennessee is 1.7 percent which is much lower than the national turnover rate of 3.0 percent as of July 2013.<sup>3</sup> We believe the difference between our survey results and the national results are because our survey shows only employer turnover whereas,

as been highlighted frequently in the media, the national results include discouraged workers dropping out of the job search entirely.

Historically in our surveys Hospitality & Restaurants usually experience the highest turnover but, this year, the highest turnover is reported in Not-For-Profit at 2.7 percent. Typically, the Government/Education sector has the lowest turnover and it does again this year with 1.4 percent. This can't be a surprise to anyone.

<sup>2</sup> United States Department of Labor, Regional and State Employment and Unemployment Summary, July 2013

<sup>3</sup> United States Department of Labor, Job Openings and Labor Turnover Summary, July 2013

### **SALARY RANGE ADJUSTMENTS**

The planned salary range adjustment for exempt and non-exempt is 2.6 percent. These projections are 30 percent higher than national projections of 2.0 percent reported by WorldatWork.

### **BENEFITS**

The Affordable Care Act is a few weeks away from the next phase of implementation and we have seen the unintended consequences of it in the form of the increasing conversion to or availability of part time employment. This year, many more employers, 81.5 percent, reported medical insurance premium rate increases of only 10 percent or less. That's little consolation to the 18.5 percent of employers with premium increases of 11 percent or more.

Employee average annual out-of-pocket expenses for employee only coverage

(\$2,906) and family coverage (\$6,095) are both much higher this year. These are increases of 7.8 percent and 19.2 percent respectively from last year.

The employee's portion of the medical premium for employee only is 22.2 percent and is down from 24.3 percent last year. This rate is usually in the range of 24.5 to 25 percent so this is a good sized decrease. The employee's portion of premium for employee plus family is also lower than the expected range of 32 to 34 percent. This year's results are 29.5 percent compared to 32.3 percent reported last year.

The decrease in employee contribution towards benefit premiums may be counter-balanced by the increase in out-of-pocket employee expenses. It seems that employers are shifting costs to employees who use the insurance most and making that increase more palatable by the lower cost share of premium by all participants.

### **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 fifth 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 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 119 participating firms representing 1,196,064 employees with 54,069 employees in the survey area. Surveys were compiled for East, Middle, West Tennessee and the State of Tennessee.

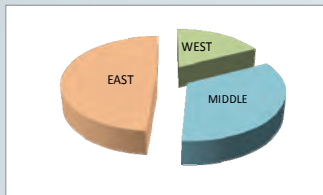
Compensation data for 349 positions was surveyed for 17 functional areas: Banking and Finance, Government/Education, Healthcare, Hospitality, Manufacturing and Distribution, Sales (Retail/Wholesale), Services (Business/Consumer), and other industry groups. Wage and salary data was provided for 330 jobs 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**

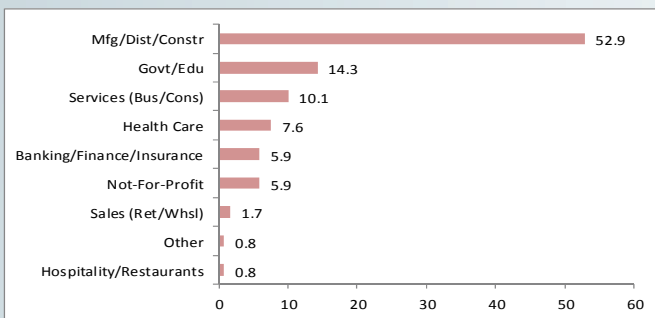
This year's survey was completed by 119 companies with employees in Tennessee. East Tennessee had the greatest number of participants, followed closely by Middle Tennessee and West Tennessee with the least number

of participants.



**Fig 1: Participation by Region**

The Manufacturing and Distribution industry is the largest participation group, followed by Government & Education, Services (Business/Consumer) and Health Care.



**Fig 2: Participation by Industry**

**METHODOLOGY**

The 2013 – 2014 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 2013, via the Tennessee Chamber of Commerce and Industry survey information was communicated to all individuals in their database. In addition, individuals who participated in the past or expressed interest to participate in our sur-



veys were invited to participate via the survey web site database. The collection period was from August 1, 2013 through August 31, 2013. The wages reported were those in effect as of June, 2013.

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 way above where it should be, job creation mainly in the form of part time work (an unexpected consequence of the Affordability Care Act) and other day-to-day economic realities not improving, many Americans remain cautious with spending. The real estate market continues to move up but home prices remain far below their prior highs.

At the time of this writing, we are in a partisan power struggle over funding the government to keep it running while defunding "Obamacare." If Republicans are successful in passing this in the House, the measure faces almost certain doom in the Senate and in the unlikely event it makes it past the Senate, the President has promised to veto the bill.

Are things improving? The answer is the same as it was last year at this time: 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 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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