

ERI Key Topic Log

May 2010

News!

The US DOL is [proposing](#) an FLSA record-keeping update: **all US employees will be non-exempt unless proven exempt**. To not pay overtime, organizations will be required to:

- perform a position analysis
- disclose that analysis to the job incumbent
- keep that analysis file on record for review by WHD (upon request)

ERI (and its affiliate, PAQ) have collected job analysis data for the creative, professional, administrative, computer, sales, and management measures since first defined in Part 541, creating Daubert Challenge rates of error. The graphic displays of comparable distributions greatly assist in discussions with employees; see more at www.paq.com.

Salary & Costs Comparisons

- HR Directors • [FLSA Testing](#)
- Comp Managers • [Salary Surveys](#)
- Employers • Salary Surveys, [Assessor Series Analytics](#)
- Employees • [Online Education](#), Job Family Salary Estimates
- Job Seekers • Career Search, Potential Employers, Job Postings
- Disabled Individuals • Job Search, SSA Disability Estimations
- Compensation Consultants • [Differential and Benchmark Tools](#)
- Relocation Consultants • Cost of Living Research Data and Tools
- Vocational Experts • Disability and Transferrable Skills Analyses
- Expert Witnesses • [Federal Tax Court](#), [IRS Use](#), [International Data](#)

June 2009

ERI Offers More than "Competitive Pay"

If you are reading this, you already know that ERI Economic Research Institute is undoubtedly the most accurate and professional provider of salary information anywhere in the world. I say this based on some 50 years as a compensation advisor with direct and intimate knowledge of ERI and experience with the founder and Chairman, Dr. David Thomsen, since the inception of the company. We recently partnered with ERI to identify a sample of 20 of America's fastest growing companies and explore their pay and reward systems in order to see how they design successful compensation programs. The article based on this research was just published with co-author Marv Dertien of ERI in the current issue of WorldatWork Journal and is included on the [ERI website](#). How does this relate to you as a user of ERI products? It shows how the leading provider of objective data on compensation and organizational performance can help you supply your organization with the most reliable information to support making the best decisions about human resource challenges.

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May 2009

Reviewing Your Salary Structures

Analyses of [ERI Salary Survey](#) input (closing in March) find ~1/4 ERI's industrial sectors (1,287 eSICs) projecting lowered salary levels and structures for 2010. We've been forecasting salary structure movement since 1974; we've never projected negative growth – until now. Government and union sectors continue positive salary level growth by cutting staff, hours, and benefits (even going bankrupt), but many in the private sector are [cutting salaries](#). As an [example](#): if Federal Express cuts exempts' pay by 5% and executives' by 10%, with many in the nonunion freight-forwarding industry copying, it must follow

that this sector's competitive salary structure has decreased. Compensation administration is all about cost control and giving guidance to line management. This might be a good time to review salary structures as ERI sees a flat "L shaped" economy with no upswing yet apparent. Paying competitively makes sense and overpaying for top talent makes sense, but paying above competitive levels "across the board" during a historic economic downturn should be tactically reviewed (your jobs benchmarked via [ERI Assessors](#) or Surveys) and the results analyzed strategically by top management.

March 2009

Salary Survey Data Accuracy - Just How Bad Is Internet Salary Data?

"With the Internet, the greatest disseminator of bad data and bad information the universe has ever known, it's become impossible to trust ..."

Harlan Ellison 1998.

The words "the universe has ever known" are right on the mark regarding today's salary data. ERI's experiment with Internet [employee-provided \(SalaryExpert.com\)](#) input finds web salary data to be [skewed](#) toward higher reported rates (i.e., web visitors, convenience samplers, rarely understate their earnings). So the question becomes, **how bad is Internet salary data?** [See more.](#)

February 2009

ERI's [employer-provided sources](#) indicate over 1,000,000 US jobs may have been lost in January 2009 (the [Government reported losing ~1/2](#) that amount, while Canada, with 1/10th the US population, [reported losing 129,000 jobs](#)), demonstrating that multiple surveys are oftentimes important for decision making. Across-the-board salary cuts, termination of higher paid experienced personnel and consolidated "[hybrid jobs](#)" imply that last year's surveys/constructs may also be "off the market." [ERI \(salary survey and cost-of-living data\)](#) and [PAQ](#) (work measures) provide unique real-time market rates matched to an organization's scope (industry, [geographic area](#) and size) and job incumbent skills and competencies ([eDOT](#) typical education, experience, certifications, vocational preparation, etc.) . Employers are adjusting their 2009 plans and payouts as many 2008 surveys, especially [employee-provided](#) sources, now mirror unrealistically high competitive values and salary increase plans.

January 2009

Two Free Editions for Subscribers

ERI subscribers now have free access to two new [Assessor Series](#) beta editions. The [Nonprofit Comparables Assessor](#) has the ability to search and review over thirty million individuals' names and compensation found in US publicly available documents in a [new Full Xwalk tab](#); see [ERI's October 2008 newsletter](#). And the redesigned [Competency \(Occupational\) Assessor](#) now contributes weighted subscriber Subject Matter Expert data to [PAQ's eDOT Competency Project](#); see [ERI's January 2009 newsletter](#). Order any [Assessor Series](#) product or traditional [ERI Salary Survey](#), each fully derived from [employer-provided sources](#), and an accompanying license code will allow access to these databases, or [click here](#) for a 6 month license code (non-subscribers are invited to review).

December 2008

Staff Planning Trumps Salary Planning

The economic downturn means that many individuals will be asked to perform the tasks of two or more jobs as organizations downsize. Where the duties of several jobs are combined, use the [Salary Assessor's](#) ability to price "hybrid jobs" from [employer-provided sources](#). For organization planning, the [Relocation Assessor](#) profiles competitors' staffing patterns by industry, size, and area; also use the Salary Assessor's Salary Planning tab to assist in staff and workforce scenarios. ERI's [Salary Increase Survey](#) is reporting slightly higher rates than [WorldatWork](#) and others for increase and incentive planning. Reduction of headcounts, eliminating bonuses and perquisites, reducing increase budgets (automatic with workforce reductions), and freezes on hiring, training, and travel are also being reported. Fewer key employees are being asked to do more, making 2009 salary and staff planning very complex.

Summer 2008

Salary Planning News in a Financial Crisis

ERI's [Salary Increase Survey](#) is forecasting slightly higher rates than [WorldatWork](#) and others. Employees are being asked to do more while [layoffs increase](#). Executive pay is also at the forefront, and the new IRS Form 990 is drawing attention as described in ERI's [October 2008 newsletter](#). The [Congress' \\$700 billion bailout provision's](#) Section 111 regarding executive compensation and "governance" uses the new Form 990 language. The Relocation Assessor's [housing values](#) are seeing

historic drops, also affecting [consumption](#). Long-term housing values are a function of wages, and, in the end, economic health is all about the number of jobs in the economy. If ever there was a time to carefully plan the next year's staffing and compensation actions, it would be now, with real data from [employer-provided sources](#).