

# COVID-19 Compensation Impact Survey Results

## Overview

There is rapid change occurring across the industry in response to the COVID-19 pandemic, some due to economic and regulatory influences and some resulting from corporate executive decision-making.

In order to better track and understand these changes — specifically those related to talent management and employee compensation — FMI conducted a survey of current and past E&C clients in late April.\*

One hundred forty one companies completed the survey, representing a diverse cross section of the Built Environment in terms of annual revenues, employee headcount and ownership structure.

The survey's areas of focus were primarily on the prevalence (how many companies) and magnitude (how much change) of:

- Reductions in force ("RIF")
- Furloughs
- Salary/wage reductions
- Extra pay and benefits
- Future considerations for compensation changes

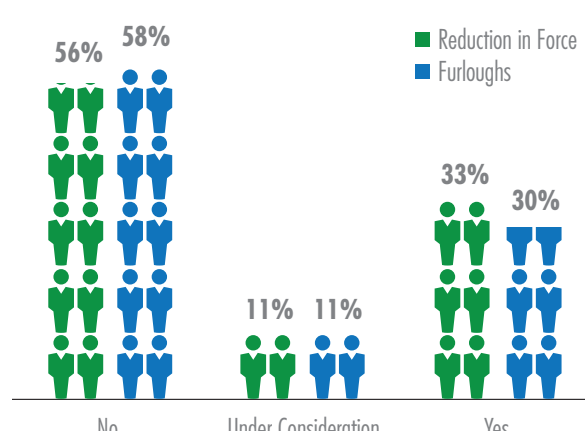
\* The survey was open for participation from April 13 to April 30.

## Results

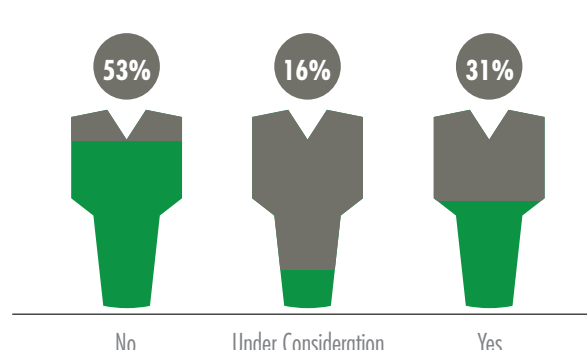
Approximately **one-third of respondents** have enacted a RIF and/or furloughs. Of these, **nearly 3 of 4** have implemented both.

Nearly **one-third of survey respondents** have made changes to employees' base wages — through cuts in current pay and/or planned raises.

Companies Enacting a Reduction in Force and/or Furlough

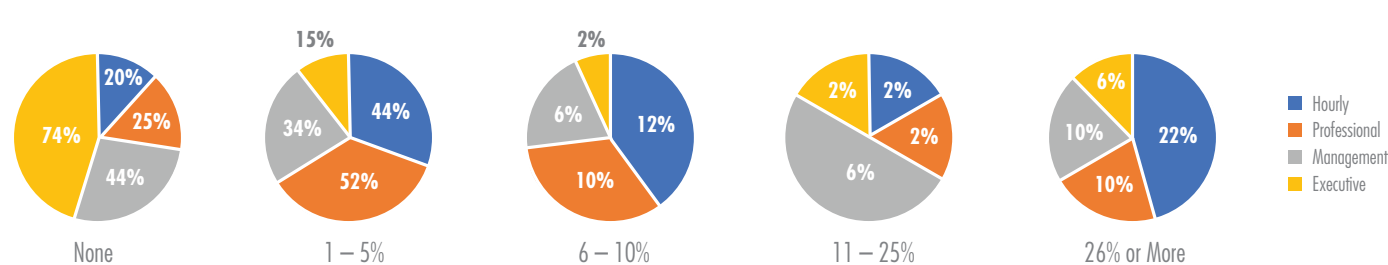


Companies Enacting Base Wage Adjustments



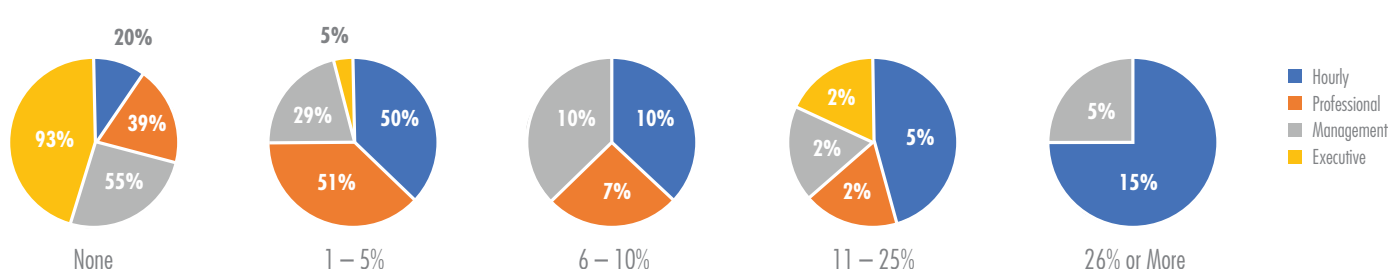
Hourly and professional employees (versus executive and management staff) have been affected the most, but typically, RIFs have impacted **no more than 10%** of employees.

Percentage of Employees Impacted Among Companies That Have Enacted a Reduction in Force



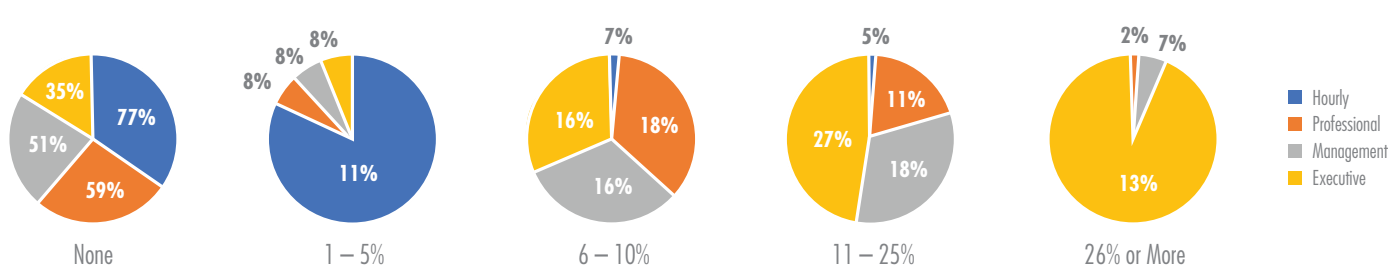
Like reductions in force, hourly and professional staff are **more likely to have been furloughed** than executive and management employees.

Percentage of Employees Impacted Among Companies That Have Enacted a Furlough



Among the 30% that have reduced base wages, **more than half** of companies have cut executive pay most drastically.

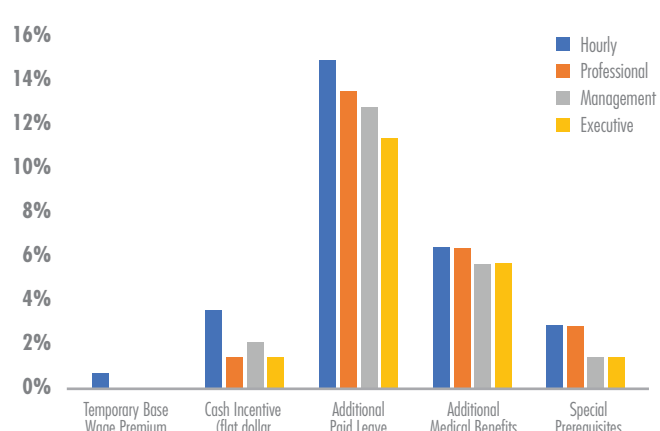
Percentage of Pay Reduced Among Companies That Have Enacted Base Wage Adjustments



Nearly **a quarter of companies are offering additional benefits** during this time. Hourly employees are most likely to be receiving enhanced medical and/or paid leave benefits.

**Many companies are still considering wage and bonus reductions and/or delays**, but it is too soon for many companies to project their financial and operational position through 2020 and beyond.

Prevalence of Extra/Supplemental Compensation and Benefits (% of Companies Reporting)



Compensation Changes Under Consideration (% of Companies Reporting)



## Other compensation changes under consideration:

- Delayed bonus payments
- Reduce other noncash benefits
- More furloughs
- Additional hiring
- Changes are more likely in 2021 than in 2020
- No midyear pay increases
- Job role consolidation
- Additional layoffs
- Pay increase to everyone working through the COVID-19 period

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