

# A. Michael Hiles & Associates Inc.

Human Capital Management

## Salary Increase Projections for 2009

Budgeting for most companies involves estimating where salaries are going in the external market and planning to remain competitive. Often, the payroll is the largest expense in most budgets, and getting the projection right can mean a competitive edge, particularly in a difficult business environment and economy.

We are pleased to provide our clients with a synopsis from data available to us. We have used two source, both international surveys that are the largest and most reliable available. The first survey includes information from 243 organizations, and represents 665,000 Canadian employees. The second survey includes data from 489 companies, and covers 1.7 million Canadian employees.

We show projected changes in Base Salary – sometimes call budgeted increases – and the projected change in Salary Structure – the change in a company’s pay policy. Base Salary changes are greater than Salary Structure because Base Salary changes include increases for individual merit or performance, promotions, organizational changes, general productivity increases, etc.

We show the information provided for changes to salary structure – how much salary ranges will increase – and for budgeted aggregate payroll increases.

<i>Salary Structure Changes</i>		
	2008	2009 (proj.)
Non-Management	2.50%	2.79%
Management	2.60%	2.75%
Officer/Executive	2.50%	2.72%
Inflation	3.39%	-

<i>Salary Budget For Increases</i>		
	2008	2009 (proj.)
Non-Management	3.80%	3.81%
Management	3.90%	3.86%
Officer/Executive	3.90%	3.97%
Inflation	3.39%	-

This information is often useful when preparing high-level budgets. Developing a comprehensive pay policy is more complex. An effective and durable policy considers the job relative size and level, the company pay structure, the external competitive market, and individual performance.

We have more detailed information that can be broken down by region, industry or job family, and we can provide historic information and trends.

We can help with any of our clients’ compensation and benefits needs, as well as with a wide range of other human resource management issues. We would be pleased to discuss any of your human resource related concerns.