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FOR IMMEDIATE RELEASE

New MRA Survey Shows Average Pay Increases Continue Slight Upward Trend
Companies Look Beyond Pay to Attract and Retain Talent

August 31, 2006, Waukesha, WI – MRA – The Management Association (MRA) recently released the results of their annual *Pay Trends Survey* of nearly 300 Wisconsin companies. Survey results indicate that pay increases over the last few years continue to show a slight upward trend. The average actual pay increase for all classifications of employees across all industry types in 2006 was 3.40 percent, compared to 3.27 percent in 2005 and 2.95 percent in 2004. MRA, headquartered in Waukesha, is the largest employers association in the Midwest and helps organizations to maximize the power of their workforce.

MRA's *Pay Trends Survey* shows that the average percentage pay increase planned for 2007 is 3.46 percent, which virtually matches the 3.40 percent increase given in 2006. "Pay increases are only one element," said Vicki Vought, Vice President, Human Resources Information & Solutions for MRA. "We know more companies are taking a holistic approach to their employee compensation packages."

"Pay increases have been slightly higher than projected, but continue to be modest as companies struggle with rising health care and energy costs," said Bonni Yordi, Ph.D., MRA's Director of Surveys and Business Research. "To attract and retain talent, companies are developing unique compensation and benefits programs that extend beyond the pay check to include recognition programs, sick/vacation time, profit sharing and more. Implementing a comprehensive benefits

plan helps companies that are trying to become an ‘employer of choice’ differentiate themselves from the competition.”

Projected Increases by Classification Steady

When examined by job classification, 2006 actual increases and 2007 projected pay increases are virtually unchanged.

Industry Sector	Pay Increases – Wisconsin – All Respondents	
	2006 Actual	2007 Projected
Production, Maintenance & Service (Non-union)	3.35%	3.35%
Clerical & Technical	3.42%	3.42%
Supervisory, Managerial & Professional	3.54%	3.59%

Pay Freezes Continue to Decline

For the first time in six years, the Survey reports that pay freezes for 2007 are insignificant, with less than one percent of companies projecting wage freezes. MRA’s Survey shows that overall actual pay freezes for 2006 by both manufacturing and non-manufacturing companies was 2.4 percent and their projected pay freezes in 2007 is 0.7 percent.

Gap in Pay Increases Continues to Narrow

Historically, manufacturing pay increases generally lag somewhat behind non-manufacturing. However, MRA Survey results over the past few years show that manufacturing companies are reporting a significant decline in pay freezes or reductions and are narrowing the difference in pay increases made between manufacturing and non-manufacturing sectors. Survey results show that overall actual pay increases in 2006 for manufacturing employees was 3.27 percent compared with 3.61 percent for non-manufacturing employees.

“As pay increases remain steady, the search for unique, cost-effective pay and benefits packages is at the forefront of strategic human resources efforts,” said Yordi. “Whether companies invest in their employees through coaching, competency planning or training, employers will need to find ways to merge corporate and employee needs to meet business goals.”

Survey Information

National data may differ because of differences in calculations and the composition of the sample, e.g., size of companies, industries represented, etc. MRA's data reflects Wisconsin conditions. MRA surveyed 287 companies, 58 percent were from manufacturing, and 42 percent from service, financial, health and related service providers. The survey also represents all sizes of companies, from 1-100 employees (46 percent), 101-500 (43 percent), 501-1,000 (5 percent), and over 1,000 (6 percent).

MRA members can obtain detailed breakouts at www.mranet.org in the Members Only section. The survey is available for purchase by contacting MRA at surveys@mranet.org or (800) 488-4845.

Founded in 1901, MRA is a not-for-profit employers' organization serving 2300 employers throughout Wisconsin, Illinois, and Iowa, covering close to a half million employees. An expert in the optimization of human resources, MRA applies its talent, tools and training to help organizations achieve their business objectives. For more information on MRA visit www.mranet.org or call 800.488.4845.

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