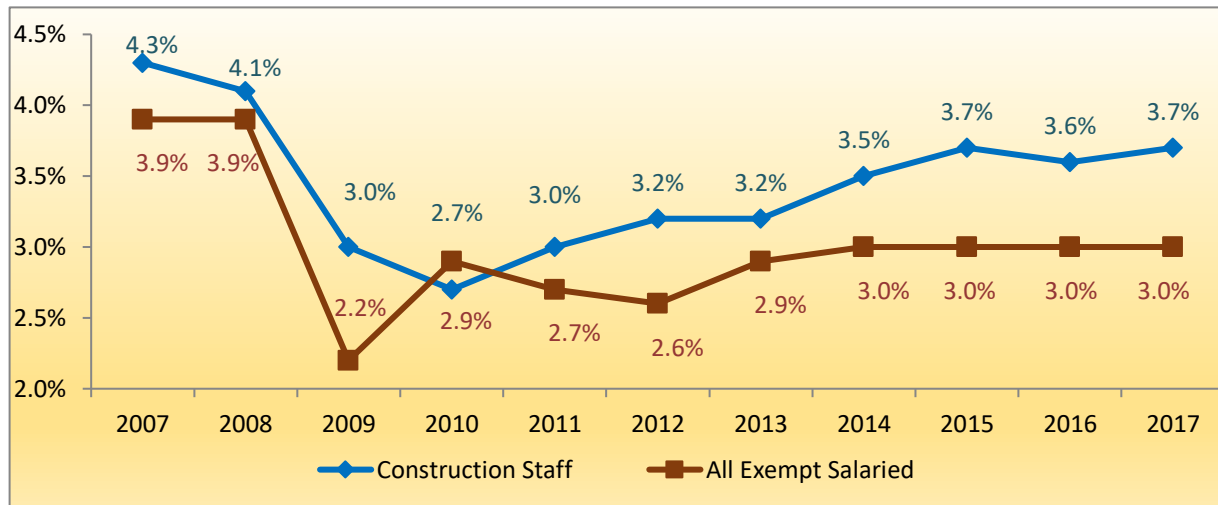


2017 Actual and 2018 Forecast

Contractors are projecting construction staff wages to increase an average of 3.4 % (excludes 0% projections), based on the 295 companies in this 36th edition of the Construction / CM Staff Salary Survey. For pay increase comparison - according to the WorldatWork, nationally, exempt professionals saw 2017 increases of 3.0% and are reporting 2018 increases of 3.1%, but, they also reported construction increases at 3.4% in 2017 and a projected 3.4% for 2018. The 2017 C/CM Staff actual increase came in at 3.7%. Though the projected 2018 increase is 3.5% for professionals & middle managers, historically predictions are usually about .5% low, so year-end 2018 most likely will exceed 2017's 3.7% increase.



Or, Not.

Last year, we reported the change in pay for the operations people was notable as the “actual change in base pay from 2016 to 2017 ranged from 4.7% (Assistant Superintendents) to 7.0% (Superintendents) with Project Superintendents averaging 6.1% and Construction Managers coming in at 6.9%”. We even stated that we expected the escalation to continue into 2018. Well, we were a little off. From 2017 to 2018, base pay increases in the operations job families were only modest. This is one of the reasons we like to trend pay over time, to help us interpret the peaks and plateaus in the survey data. Of course, base pay is only one component to the overall picture. All of us recognize that compensation is a critical influencer in our industry and must remain competitive, so where did we see change?

From 2017 to 2018 the professional and middle management operational job families showed some significant variable pay increases. For example, the change in actual bonus dollars for Assistant Superintendents increased 6.3%, followed by Superintendents at 7.8%, and Project Superintendents at 14.6%. The Estimating job family saw some of the largest variable pay increases ranging from 22% to 45%. Project Engineering reported a range of 15% to 42%, Contract Management saw changes of 20% or more, Administrative Managers saw a 14% increase, and, some good news for Human Resources Manager’s, bonuses were 15% higher than the previous year.

Variable pay is just what it says it is. Variable. You can’t count on bonuses increasing (or occurring) from year-to-year, however, it’s good to ride the construction wave and increased profitability while it exists.



Here are a few of the positions that will continue to be in high demand as workforce needs heat up. We've shown the national base salary and bonus **from only companies that paid bonuses** in the past year. There's a very good chance your employee's pay is more or less due to your unique circumstance and size of company.

Survey Position	Base Salary Bonus Companies	Average Bonus	Average Total Compensation
Assistant Superintendent	70,867	6,021	76,887
Superintendent	88,243	11,359	99,602
Project Superintendent	109,601	17,941	127,543
Project Manager/Estimator	81,635	16,548	98,182
Construction Manager	135,612	28,783	164,395
Project Manager	96,144	16,086	112,230
Senior Project Manager	125,288	30,536	155,824
Field Engineer I	58,610	4,301	62,911
Field Engineer II	72,482	6,639	79,121
Chief Field Engineer	106,961	12,069	119,030
Project Engineer I	63,616	4,738	68,355
Project Engineer II	78,308	8,657	86,965
Senior Project Engineer	97,231	14,348	111,579
Estimator I	62,596	6,652	69,248
Estimator II	82,162	11,009	93,170
Senior Estimator	103,078	15,936	119,015
Chief Estimator	134,693	32,635	167,328
Senior Scheduler Engineer	92,008	9,939	101,947
Scheduling Manager	111,747	16,829	128,576
Equipment Manager	87,144	12,929	100,073
Materials Manager	74,335	9,677	84,012
Purchasing Agent	73,254	9,029	82,282
Senior Contract Administrator	79,157	8,435	87,592
Contracts Manager	100,646	23,263	123,910
Quality Control Specialist	71,077	6,573	77,651
Quality Control Manager	98,617	16,154	114,771
Administrative Manager	66,990	7,725	74,715
Risk Manager	122,095	20,970	143,065
Safety Director	100,499	16,346	116,845
Accounting Manager	88,871	13,294	102,164
Human Resources Manager	103,416	17,623	121,039
Marketing Coordinator	55,668	5,140	60,808
Senior Sales Representative	105,474	20,161	125,635
Business Development Director	145,360	31,594	176,954



The following represents national bonus/incentive dollars reflecting either the demographic of company size, type of contractor, or type of construction performed – all factors in determining both a competitive base salary and variable pay market value. Generally, revenue size is a major demographic to factor into your analysis, however, look for differences in bonus practices by the other demographics. The following tables reflect variable pay practices for the **Construction Manager** position. The percentages reflect the bonus paid as a percent of base salary, which we think is the best way to interpret market practices. We would expect your variable pay practices to be somewhere in the ranges shown below based on your company’s demographic scheme.

Demographic	25 th Percentile	Median	Average	75 th Percentile
All Contractors				
Incentive Amount	12,760	24,575	28,783	35,000
Percent of Base	10.20%	18.70%	21.50%	24.70%
Building				
Incentive Amount	13,000	25,000	29,076	38,000
Percent of Base	10.00%	19.40%	21.60%	24.70%
Highway				
Incentive Amount	12,910	17,180	24,388	32,420
Percent of Base	9.40%	16.00%	19.10%	23.80%
Heavy				
Incentive Amount	17,000	25,000	27,349	35,000
Percent of Base	13.60%	18.60%	20.10%	23.30%
Industrial				
Incentive Amount	12,000	20,600	26,103	34,000
Percent of Base	10.00%	17.10%	19.70%	24.80%
Municipal Utilities				
Incentive Amount	19,235	25,575	29,490	39,140
Percent of Base	13.30%	17.90%	20.70%	26.00%
General Contractor				
Incentive Amount	17,114	25,150	30,788	38,000
Percent of Base	13.40%	19.40%	23.00%	24.20%
Electrical Contractor				
Incentive Amount	11,000	16,500	21,877	36,500
Percent of Base	9.20%	13.30%	16.90%	25.40%
Construction Management				
Incentive Amount	14,000	23,385	27,812	35,000
Percent of Base	9.80%	17.40%	19.60%	24.00%



Demographic	25 th Percentile	Median	Average	75 th Percentile
Mechanical Contractor				
Incentive Amount	13,000	24,150	25,158	35,000
Percent of Base	8.40%	17.50%	18.90%	26.60%
Design-Build				
Incentive Amount	17,228	25,000	31,259	38,000
Percent of Base	13.60%	19.70%	22.30%	26.80%
Other Specialty Contractor				
Incentive Amount	8,000	20,600	27,607	40,000
Percent of Base	5.70%	12.80%	22.00%	29.60%
Up to 5 Million				
Incentive Amount	***	***	34,500	***
Percent of Base	***	***	35.40%	***
5 to 25 Million				
Incentive Amount	7,000	14,680	24,175	47,500
Percent of Base	6.50%	16.50%	20.50%	36.50%
25 to 100 Million				
Incentive Amount	12,000	24,000	27,098	35,000
Percent of Base	10.00%	20.00%	22.50%	24.80%
100 to 250 Million				
Incentive Amount	12,350	20,000	22,247	31,825
Percent of Base	9.80%	16.10%	15.60%	20.50%
250 to 500 Million				
Incentive Amount	18,575	29,000	31,815	36,500
Percent of Base	12.90%	19.30%	20.90%	25.20%
Over 500 Million				
Incentive Amount	20,000	27,150	36,234	43,280
Percent of Base	13.20%	19.50%	24.70%	28.10%

The Final Word

Both base and variable pay have a central purpose in meeting the goals of any compensation program. In order to recruit folks into your organization, base pay is key and must be competitive. Variable pay plays an important role in retaining your key people as it is viewed as a reward for a job well done (and yes, there is also a market value for bonuses). The two together make up those spendable dollars that go directly into the employee's hands. Sometimes it's easy to confuse the roles of base and variable pay. One drives attraction and the other drives retention. They are not interchangeable, so don't slack off on base pay thinking that variable pay can make up the difference. It will catch up to you in the long run.

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