



ANTE UP

**Build a Compensation
Plan That **Attracts,**
Retains and Rewards
Great People**

Ante Up:

Build a Compensation Plan That Attracts,
Retains and Rewards Great People

Across the nation, minimum wage is on the rise. Job creation and candidate shortages are increasing, too. If you're serious about attracting – and keeping – top talent, it may be time to take a hard look at your compensation strategies.

In this eBook, you'll find:

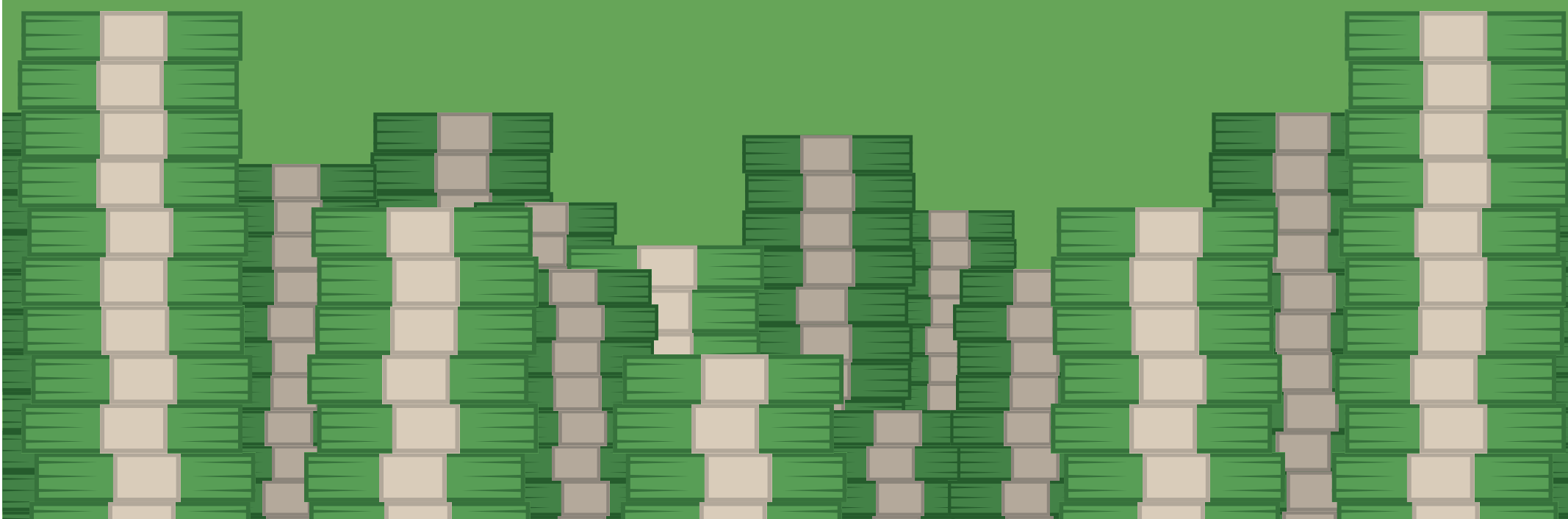
- a look at the rise in minimum wages throughout the country;
- why it pays to pay up;
- how to set attractive and affordable pay ranges; and
- where to find personalized help.

What You Need to Know About the Minimum Wage

The minimum wage is a maximum concern for both employers and employees nationwide.

Here are the facts:

- The current federal minimum wage is **\$7.25 per hour**, but the number is higher in certain cities and states.
- About **3.3 million U.S. workers** currently work at or below minimum wage.
- Only 45 percent of minimum-wage workers are under age 25 – and **31 percent** are over age 35.
- Currently, a single parent working for federal minimum wage makes **\$15,080 per year**, placing a family of two below the federal poverty line.
- Despite increasing productivity and relentless inflation, the federal minimum wage has not increased since **2009**.





Minimum Wage Momentum: *What's Changing?*

Although the federal minimum of \$7.25 per hour hasn't changed since 2009, many states and cities have instituted their own minimum wages. The momentum is increasing: In 2013 alone, five states enacted higher minimum wages.

More workers are pushing for minimum wage raises too. The group Fast Food Forward has organized walk-outs in fast-food chains nationwide to push for a \$15/hour minimum wage in the industry.

Polls show that 52 percent of Americans favor raising the minimum wage – including 82 percent of registered Democrats and 21 percent of registered Republicans.

Even the White House has gotten on board. In 2014, President Obama signed an executive order raising the minimum wage to \$10.10 for employees of federal contractors over the next few years.

What's in It for Me?

Here's a state-by-state look at those offering higher than the federal minimum wage:

STATE	MINIMUM WAGE
Alaska	\$9.80
Arizona	\$10.00
Arkansas	\$8.50
California	\$10.50
Colorado	\$9.30
Connecticut	\$9.60
Delaware	\$10.10
D.C.	\$11.50
Florida	\$8.05
Hawaii	\$9.25
Illinois	\$8.25
Maine	\$9.00
Maryland	\$8.75
Massachusetts	\$11.00
Michigan	\$8.90
Minnesota	\$9.50
Missouri	\$7.65
Montana	\$8.15
Nebraska	\$9.00
Nevada	\$8.25
New Jersey	\$8.44
New Mexico	\$7.50
New York	\$9.70
Ohio	\$8.15
Oregon	\$9.75
Rhode Island	\$9.60
South Dakota	\$8.65
Vermont	\$10.00
Washington	\$11.00
West Virginia	\$8.75

Many states have indexed their minimum wage as well. These numbers reflect 2017 wages.



Changing Pay for Changing Times

Why is the minimum wage rising?

Jobs are expanding.

The U.S. economy added 261,000 jobs in the third quarter of 2017, according to the Bureau of Labor Statistics. The biggest gains were in retail and food services, two industries with a high concentration of minimum-wage workers.

Cost of living is increasing.

Workers who are preoccupied with how to make ends meet, or who cannot weather a minor financial crisis like a broken vehicle or a healthcare emergency, are less productive – and may drop out of the workforce altogether, leaving their employer with the costs of turnover.

Competition is higher.

There are more jobs available. But there are also fewer qualified workers on the hunt. To attract the best people for the jobs available, cities and entire states are raising their minimum wage.



Why Pay More?

Why should your company consider paying more than the prescribed minimum wage?

It's good for talent.

Higher wages attract a better candidate pool, giving you the opportunity to choose the best person from among several highly qualified, enthusiastic candidates.

It's good for operations.

A study in Forbes discovered that companies that pay higher than minimum wages – like Target and Costco – experience lower turnover, more productivity, fewer employee errors and more flexibility in times of economic downturn or crisis. Investing in people pays.

It's good for the community too.

The Economic Policy Institute (EPI) estimates that a minimum wage of \$10.10 per hour would lift **28 million families** out of poverty nationwide – allowing workers to focus on their jobs instead of worrying about how to make ends meet.



Finding the Pay You Can Afford

You want to stay competitive. You want to find good people – and keep them. And you're convinced that raising wages is a way to do that.

Now what?

To find the pay you can afford, Forbes recommends the following:

Decide what it means to run a good business.

"Low prices, high profits" is only one option. "Low prices, great service, high profits and good jobs" is another. Start by deciding what your priorities are.

Commit to investing in people.

Increasing wages helps – but so do effective onboarding, mentoring programs and offering real opportunities for advancement.

Think long term.

Raising wages may impact your numbers in the short term, but the long-term payoffs may more than compensate for the change. Crunch the numbers for several months or years into the future, not merely for this quarter.

Ante Up:

Build a Compensation Plan That Attracts,
Retains and Rewards Great People

Minding the “Trickle-Up” Effect

As the wages paid to minimum-wage workers increase, it's important to look at your compensation for those higher up the pay scale, too.

A study of federal minimum wage increases in 1996 and 1997 found that companies tend to raise workers' pay across the scale when the minimum wage bumps up. One retailer raised all its hourly workers' wages 30 to 40 percent when the minimum wage increased in those years.

Here's why it's wise to adopt the ripple effect in your own organization:

You won't get priced out.

The growing economy tightens the talent market – and if your wage scales are stuck in pre-minimum-wage-increase years, you'll find it tougher to attract good candidates.

Current workers may walk away.

A worker who climbed up to \$11.00 an hour may feel disgruntled when junior team members get a minimum-wage hike and the veterans get nothing. And they may start a “brain drain” by looking for work with employers who adjusted their entire pay scale to match.

Your recruiting and retention costs may increase.

Replacing employees is expensive; increasing wages can be a cost-effective way to improve retention rates.

When it comes to retaining your best performers, “trickle-up” can pay off



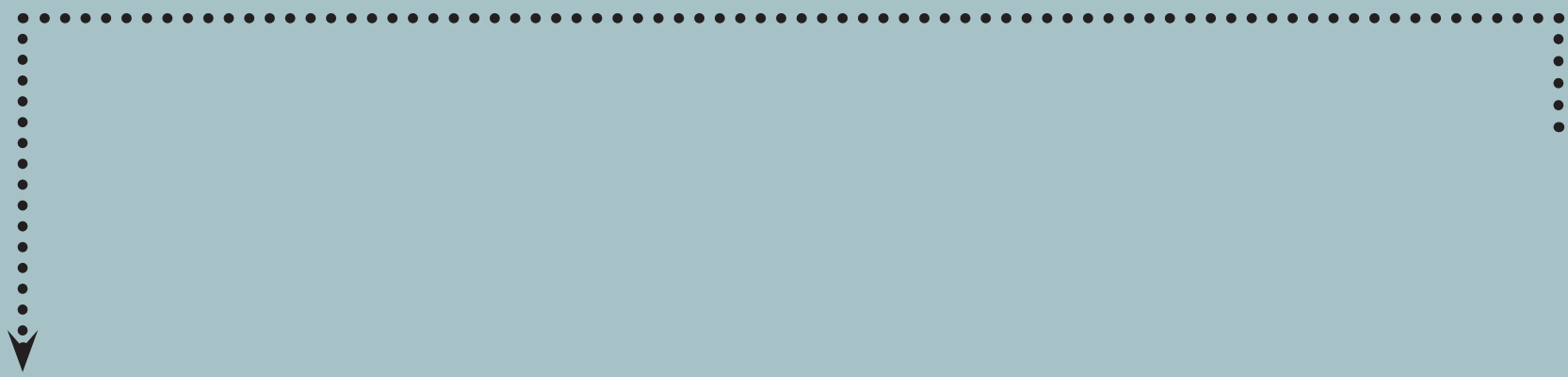


Help!

**Have questions this eBook doesn't answer?
Need personalized guidance?
Talk to your recruiter!**

Staffing companies stay competitive in their own industry by gathering information. Your recruiter can put this knowledge to work for you by:

- providing salary and wage information for your location and industry;
- helping you develop competitive compensation packages;
- proactively marketing the job opportunities you create; and
- recruiting “passive” candidates who will take a job change in the right situation.



Sources:

<http://www.shrm.org/hrdisciplines/compensation/articles/pages/minimum-wage-state-local-2016.aspx>
<http://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx>
<http://www.businessinsider.com/these-21-states-raised-the-minimum-wage-for-2015-2015-1>
<http://time.com/3969977/minimum-wage/>
<http://www.bls.gov/news.release/empsit.nr0.htm>
<http://www.forbes.com/sites/forbesleadershipforum/2014/07/01/why-companies-that-pay-above-the-minimum-wage-come-out-ahead/#4a7545523ccc>
<http://www.upworthy.com/25-really-engaging-images-about-minimum-wage-5>
<http://www.entrepreneur.com/article/245336>