

New Survey: COVID-19 Takes Toll on Wage Increases

Wages Will Hold Steady – at Best

Latest Results from The Harris Poll

TORONTO, ON, Sept. 23, 2020 – Uncertainty about the economy stemming from the COVID-19 pandemic appears to be taking its toll on wage increases. Compared to 2019, fewer than half of Canadian hiring decision-makers (45%) expect wages to increase in 2020, according to a new survey from The Harris Poll commissioned by Express Employment Professionals.

According to the survey, 34% expect no change and 15% expect a decrease in their company's wages. Among those hiring decision-makers who expect wages to increase, the majority say they expect increases will be equivalent to standard cost of living (59%), while fewer report they will be performance based (43%) or market pay rates (28%).



Jessica Culo, Express franchise owner in Edmonton, Alberta, hasn't seen her clients increase or decrease wages, but notes that "there is some uncertainty because the economy is still running to a certain extent on government subsidies."

Culo says that once government subsidies, such as the Canadian Emergency Wage Subsidy (CEWS), come to an end, "we will have a better picture of how companies are actually doing."

Bruce Hein, Express franchise owner in Sarnia, Ontario, has seen a similar trend, noting the majority of his clients are keeping wages the same.

For most, Hein says he routinely has "conversations with companies about keeping compensation competitive and in line with market conditions, but it is understandable that there are organizations not in a strong position right now."

Hein also notes that "even during times of difficulty, wages generally remain steady. If necessary, companies seem more willing to lay off workers or freeze hiring instead of cutting pay."

Brent Pollington, Express franchise owner in Vancouver, British Columbia, sees a willingness among employers to pay higher, more competitive, entry wages because "in the Vancouver market, it has always been a challenge for businesses to hire skilled and unskilled workers in the light industrial space."

Pollington has not seen pay decreases in his region, however "because of demand for work, companies can keep pay rates low while still hiring great people."

"We haven't seen a decrease in compensation, but we haven't seen a need for these businesses to be more competitive," Pollington said.

Regarding traditional benefit offerings (e.g., RRSP, medical), 18% of Canadian hiring decision-makers expect their company's benefits to increase this year and two-thirds (67%) expect these to hold consistent from 2019. Only 11% of Canadian hiring decision-makers expect their company's benefit offerings to decrease.

Culo has not seen companies increasing or adjusting their benefits plans, but she notes one of the biggest "perks" as a result of the pandemic has been flexibility – mainly due to remote work.

"I have talked to many who really enjoy that," Culo said.

Hein doesn't anticipate businesses "slashing" benefits. He notes that some "clients have, and continue to allow, eligible employees to work from home and others have offered pandemic pay to associates to show their appreciation."

Pollington says that one of the most unique benefits being offered might not be perceived as a benefit by employees.

“We’ve seen almost every employer make changes to their businesses to accommodate the new safety requirements,” Pollington said. “Many companies are going above and beyond to accommodate their employees and ensure their safety. The results are higher operating costs, potentially decreased productivity, and with a recession to cope with, the employer is not able to pass these additional costs on to the client.”

Pollington says that these costs, which are unique benefits to the employee, are perceived as “required” by the employer as opposed to a benefit to working for a company.

While wages and benefits are incredibly important for recruiting and retention, Express CEO Bill Stoller says employees often stay at companies for the full employment experience.

“Even when money is tight, employees need to know their efforts are appreciated,” he said. “In this unique time, being flexible with schedules and offering other non-traditional benefits in addition to a healthy company culture goes a long way.”

Survey Methodology

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between April 21 and May 6, 2020 among 501 Canadian hiring decision-makers (defined as adults ages 18+ in Canada who are employed full-time or self-employed or have been laid off, furloughed, or given a zero hour schedule in the past 60 days but worked full-time or were self-employed full-time prior, work at companies with more than 1 employee, and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population.

If you would like to arrange for an interview to discuss this topic, please contact Adria Minsky at (416) 620-7111 or email adria@mapleleafstrategies.com.

About Bill Stoller

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment Professionals. Headquartered in Oklahoma City, the international staffing company has more than 825 franchises in the U.S., Canada and South Africa, and beginning in 2020 will expand to Australia and New Zealand. Since its inception, Express has put more than 8 million people to work worldwide.

About Express Employment Professionals

At Express Employment Professionals, we’re in the business of people. From job seekers to client companies, Express helps people thrive and businesses grow. Headquartered in

Oklahoma City, OK, our international network of franchises offers localized staffing solutions to the communities they serve, employing 552,000 people across North America in 2019. For more information, visit www.ExpressPros.com.