

AMERICA EMPLOYED

INSIGHTS FROM EXPRESS EMPLOYMENT PROFESSIONALS

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New Survey: Wages Rising or Holding Steady as Labor Pressures Mount

35% of Businesses Expect Wage Increases; No Cuts Expected

OKLAHOMA CITY, June 27, 2018 – In Santa Fe Springs and Covina, California, just outside Los Angeles, workers are in short supply.

“There is a severe shortage of workers at every level,” said Anne Woods, owner of Express Employment Professionals franchise offices in both communities. “It is being felt most keenly at entry level, particularly in manufacturing and distribution.”

Such a labor shortage tends to cause upward pressure on wages, but, according to Woods, other factors are countering that effect, including “the effect of trade tariffs” and the “volatile stock market.”

At this point, Woods said she’s not sure which force will prevail. In Roseburg, Oregon, however, workers are often able to prioritize wages when considering job offers.

“The main factor driving wage growth is the competition for talent,” said Willis Cook, the local Express franchise owner. “I recently had a skilled welder who had four job opportunities, and wage was a big factor for this individual to make the decision on the organization to join.

“Wage growth is speeding up. This is because workers have many options for employment and are going to make the best decision for them and their families regarding employment.”

In Grand Rapids, Michigan, local Express franchise marketing director David Robb sees a similar trend.

“We’ve seen wages gradually increasing for over a year, especially on the lower end of the spectrum,” he said. “We expect this trend to continue as more and more companies try to compete for a small pool of talent.”

The same is true on the north side of Indianapolis, according to Express franchise owner Lee Wenninger.

“The prevailing mood that the economy is doing well has loosened businesses’ purse strings, so they are

expanding and investing and as a result, need more employees,” he said. “This puts pressure on wages.”

While local circumstances may vary, there is one thing virtually all business agree on: wages are not going down.

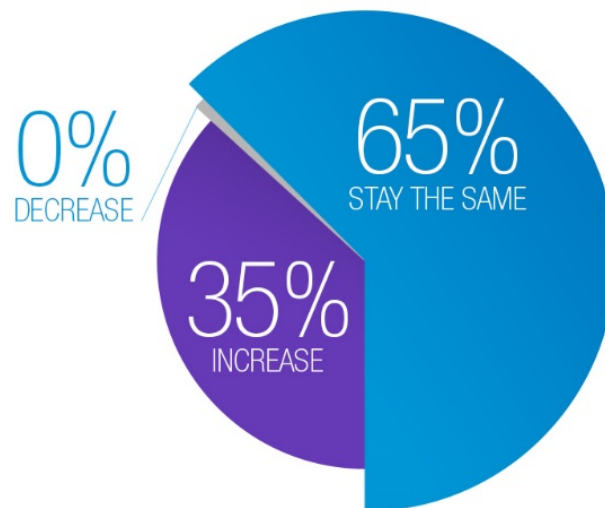
According to the most recent survey of businesses fielded by Express, owners expect their wages to rise or stay the same in the third quarter.

- 65 percent expect wages to stay the same
- 35 percent expect wages to increase
- 0 percent expect wages to decrease

A previous survey found a similar outlook for the second quarter.

- 59 percent expected wages to stay the same in the second quarter
- 40 percent expected wages to increase
- 1 percent expected wages to decrease

OVER THE NEXT THREE MONTHS, DO YOU EXPECT WAGES AT YOUR COMPANY TO INCREASE, DECREASE, OR STAY THE SAME?



Forty-three (43) percent of businesses expect those raises to be performance based, 10 percent say they will be based on the standard cost of living, and 36 percent say both considerations will be a factor.



“This is more great news for the American worker,” said Bill Stoller, the CEO of Express. “Today in America, there are more open jobs than unemployed workers, so in the fight for talent, workers are increasingly in the driver’s seat—able to expect and demand competitive wages. Companies will have to make a strong case to prospective employees, who are now more empowered than they have been in many, many years.”

The survey of 439 businesses, which are current and former clients of Express Employment Professionals, was conducted in May 2018 to gauge respondents' expectations for the third quarter of 2018.

If you would like to arrange for an interview with Bill Stoller to discuss this topic, please contact Sheena Karami, Director of Corporate Communications and PR, at (405) 717-5966.

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 800 franchises in the U.S., Canada and South Africa. Since its inception, Express has put more than 6 million people to work worldwide.

About Express Employment Professionals

Express Employment Professionals puts people to work. It generated \$3.4 billion in sales and employed a record 540,000 people in 2017. Its long-term goal is to put a million people to work annually. For more information, visit ExpressPros.com.