

AMERICA EMPLOYED

INSIGHTS FROM EXPRESS EMPLOYMENT PROFESSIONALS

Media Contact: Sheena Karami (405) 717-5966
sheena.karami@expresspros.com



@ExpressPros
#AmericaEmployed

ExpressPros.com/AmericaEmployed

Businesses Offer Wage Outlook: 41% Expect Raises

Only 1% See Wages Falling

Express Experts See Upside of Tax Reform, Businesses Investing in Their People

OKLAHOMA CITY, Feb. 14, 2018—Janis Petrini, owner of an Express Employment Professionals office in Grand Rapids, Michigan, and Chris Ashcraft, an Express office owner in Mobile, Alabama, spend their days focused on job markets 1,000 miles apart. However, their expectations regarding the effects of tax reform on wages could not be more closely aligned.

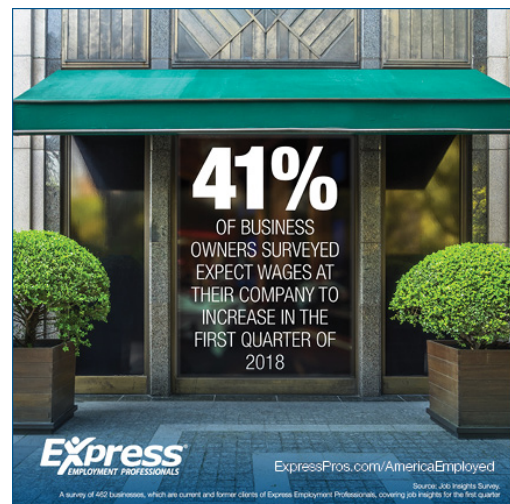
“Any time businesses get to keep more of their profits they will invest in people,” Ashcraft said.

Petrini echoed the sentiment.

“Companies will invest back into their people and their growth with tax reform,” she said.

The wage outlook for the first quarter of 2018 is encouraging, according to a survey of businesses fielded by Express in December 2017, the same month tax reform became law. Respondents were asked, “Over the next three months, do you expect wages at your company to increase, decrease or stay the same?”

Forty-one (41) percent said “increase,” 58 percent said “stay the same,” and 1 percent said, “decrease.”



That is an improvement over the previous survey on the outlook for the fourth quarter of 2017. In that survey, only 34 percent said “increase,” 65 percent said “stay the same,” and again 1 percent said, “decrease.”

Petrini expects wage growth in the Grand Rapids area because there’s still catching up to do.

"The wages will continue to grow based on the competition for talent, and we will also need to catch the wages up to times that we are in," she said. "The wage increases have not tracked with growth in the economy and the job market."

Deb Gray, an Express owner in Pittsburgh, anticipates a minimum of 6 percent growth over 2017 and believes it may approach 10 percent.

For his part, Ashcraft in Mobile, Alabama, believes wages will increase as GDP grows.

Anne Woods, an Express owner in Santa Fe and Covina Springs, California, is a little more skeptical.

"My expectation would be that companies will wait until they are under extreme pressure to lift wages further," she said.

Woods added she believes that the increase in individual take-home pay from tax cuts will give companies a respite for a few months.

"When 99 percent of companies expect steady or rising wages, it's welcome news. And when a growing number of businesses plan to increase wages, it's very good news," said Bob Funk, CEO of Express, and a former chairman of the Federal Reserve Bank of Kansas City. "Despite the many signs of economic health, many families feel their wages have risen too slowly over the last few years. But the tight labor market, economic confidence and lower taxes may finally lift wages for more workers."

The survey of 462 businesses, which are current and former clients of Express Employment Professionals, was conducted in December 2017 to gauge respondents' expectations for the first quarter of 2018.

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

About Robert A. Funk

Robert A. "Bob" Funk 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. Under his leadership, Express has put more than 6 million people to work worldwide. Funk served as Chairman of the Conference of Chairmen of the Federal Reserve and was also the Chairman of the Federal Reserve Bank of Kansas City.

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.