



2011 Salary Budget Planning

October 2010

OVERVIEW

In order to help clients prepare for 2011 salary increases, we conducted a free flash survey in late September and early October of 2010 to get a sense of what banks are planning for their 2011 salary budgets. The 97 banks that participated in the survey were asked if they planned to give salary increases in 2011; and if so, what percentage increase they were budgeting, and how the increase differed from their 2010 increases (greater, less or the same). In this report, we present responses broken out by three employee levels:

- Executive Employees
- Exempt Employees (Salaried)
- Non-Exempt Employees (Hourly)

KEY FINDINGS

- Our survey found that the majority of banks are planning to give base salary increases in 2011, with exempt and non-exempt employees more likely to receive an increase than executive level employees.
- Of the banks planning to increase base salaries in 2011, most increases will remain the same as 2010 increase levels.
- Non-TARP participating banks were more likely than TARP participating banks to give salary increases in 2011 at all three employee levels (Executive, Exempt, and Non-Exempt). TARP participants were also projecting lower salary increases for 2011 than Non-TARP participants.
- Private Banks can expect to see slightly higher salary increases in 2011 versus public banks.
- For banks that *did* give increases in 2010, 74% of banks on average across all three employee levels will give increases again in 2011. Non-exempt employees had the highest likelihood of receiving increases again. Of banks that made increases in 2010, on average 23% are undecided whether they will increase salaries in 2011. Approximately 3% do not intend to provide increases.

For banks that *did not* give increases in 2010, 43% of banks on average across all employee levels expect to give an increase in 2011. Exempt and non-exempt employees are more likely to receive increases than executives. Of banks that gave no increases in 2010, approximately 1/3 of banks are undecided whether they will increase salaries in 2011. Approximately 24% do not plan to provide increases.

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SURVEY PARTICIPATION

- **Total Participants: 97**
- **Geographical Representation:**

AL	1	KY	1	SC	1
AR	1	LA	1	SD	1
CA	8	MA	10	TN	3
CO	2	MD	3	TX	7
CT	2	ME	1	VA	1
FL	1	MN	4	WA	2
GA	2	NJ	4	WI	8
HI	2	NY	7	WV	1
IA	6	OH	1		
IL	5	OK	1		
IN	2	OR	2		
KS	3	PA	3		

- **Asset Size Representation:**

Assets <\$250M	Assets \$500M-\$1B	Assets \$500M-\$1B	Assets \$1B-\$5B	Assets >\$5B
17	24	19	28	9

- **TARP Participation:**

Not Participating	Participating
72	25

- **Ownership Type:**

Public Banks	Private Banks
40	57

- **Coastal Location:**

Coast	Non-Coast
46	51

- **Region:**

North East	South East	North Central	South Central	Western
30	11	27	15	14



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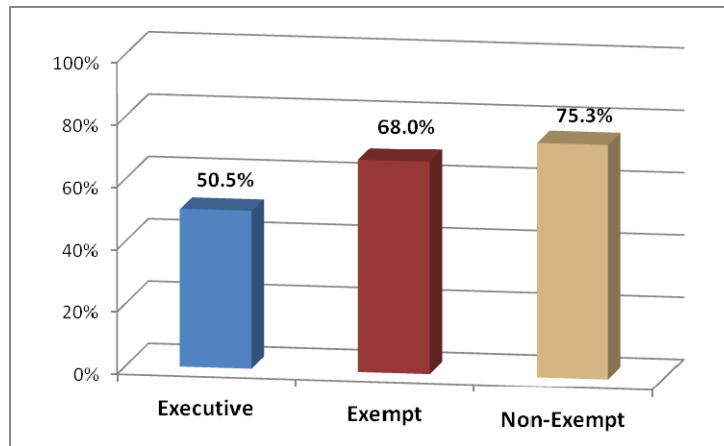
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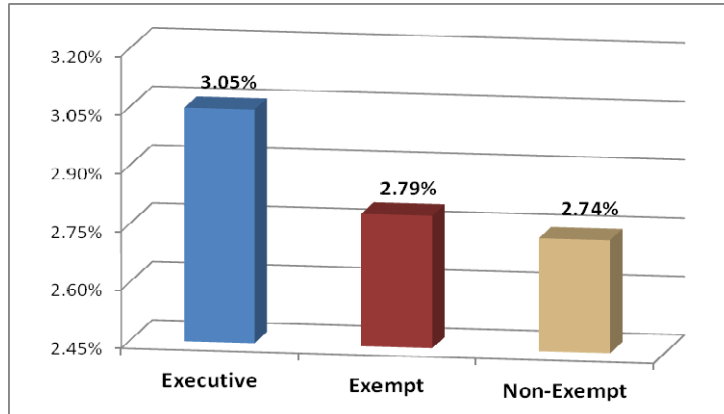
Prevalence of Banks Planning Base Salary Increases in 2011

- Nationwide, 50.5% of participating banks plan to give increases to executives. 68% plan to give increases to exempt employees, and 75.3% plan to give increases to non-exempt employees.



Average National Base Salary Increases for 2011

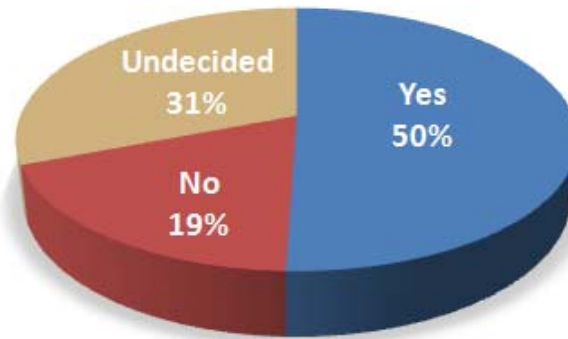
- Among those planning to give increases, the national averaged planned 2011 salary increase is expected to be 3.05% for executives, 2.79% for exempt employees, and 2.74% for non-exempt employees.





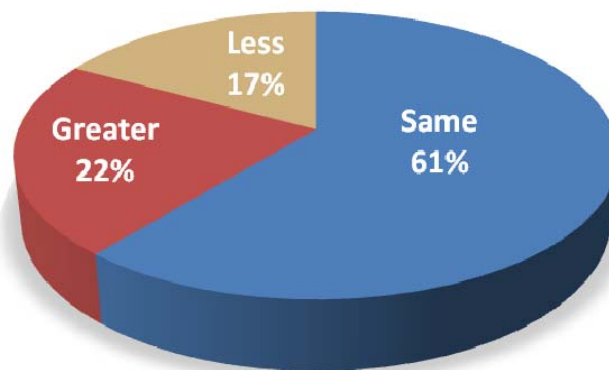
2011 Planned Increases to Base Salary for Executive Employees in 2011

- Half of survey participants are planning to increase executive base salaries in 2011. Approximately 1/3 are undecided whether they will increase executive salaries in 2011, and 19% of survey participants will not increase executive salaries.
- The average salary increase for executive level employees is expected to be 3.05%.



How do Executive Employee Base Salary Increases for 2011 Compare to 2010?

- 61% of executive base salary increases will be the same as increases made in 2010. 22% of survey participants will provide increases greater than 2010 levels, and 17% of survey participants will provide increases that are less than 2010 levels.



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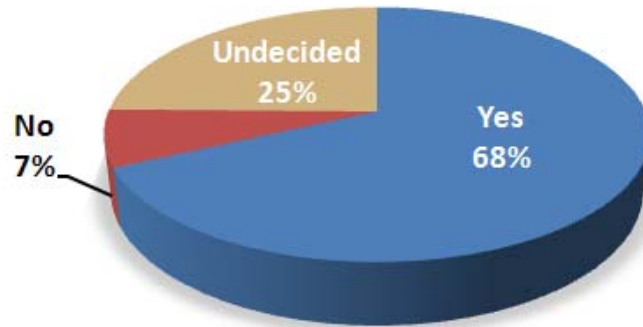
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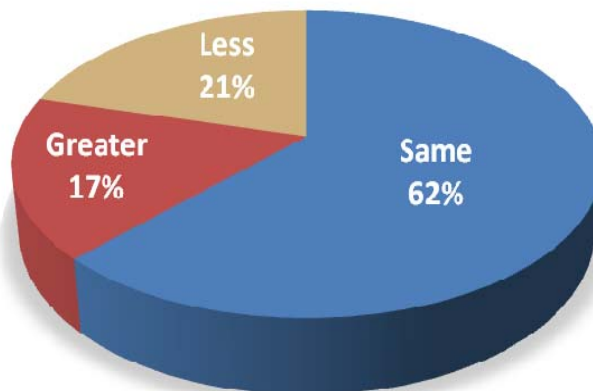
2011 Planned Increases to Base Salary for Exempt Employees in 2011

- 68% of survey participants are planning to increase exempt level employee base salaries in 2011. One-quarter are undecided whether they will increase exempt employee level salaries in 2011, and 7% of participants will not increase exempt employee salaries.
- The average salary increase for exempt employees is expected to be 2.79%.



How do Exempt Employee Base Salary Increases for 2011 Compare to 2010?

- 62% of exempt employee base salary increases will be the same as increases made in 2010. 17% of survey participants will provide increases greater than 2010 levels, and 21% of survey participants will provide increases that are less than 2010 levels.





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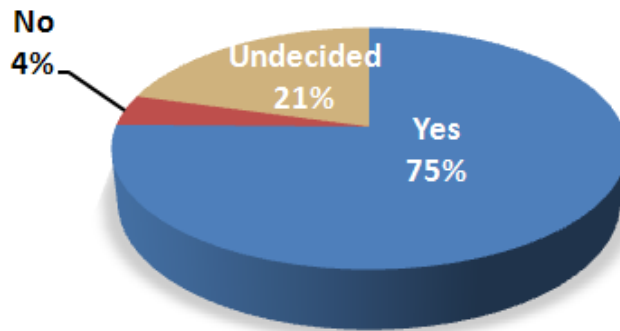
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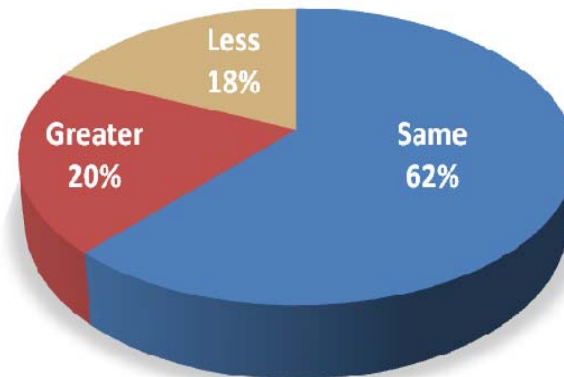
2011 Planned Increases to Base Salary for Non-Exempt Employees in 2011

- Three-quarters of survey participants are planning to increase non-exempt level employee base salaries in 2011. 21% of survey participants are undecided whether they will increase non-exempt employee level salaries in 2011, and 4% of participants will not increase non-exempt employee salaries.
- The average salary increase for non-exempt employees is expected to be 2.74%.



How do Non-Exempt Employee Base Salary Increases for 2011 Compare to 2010?

- 62% of non-exempt employee base salary increases will be the same as increases made in 2010. 20% of survey participants will provide increases greater than 2010 levels, and 18% of survey participants will provide increases that are less than 2010 levels.





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