



Making Workplaces Great for 100 Years.

ERC Member Poll Results

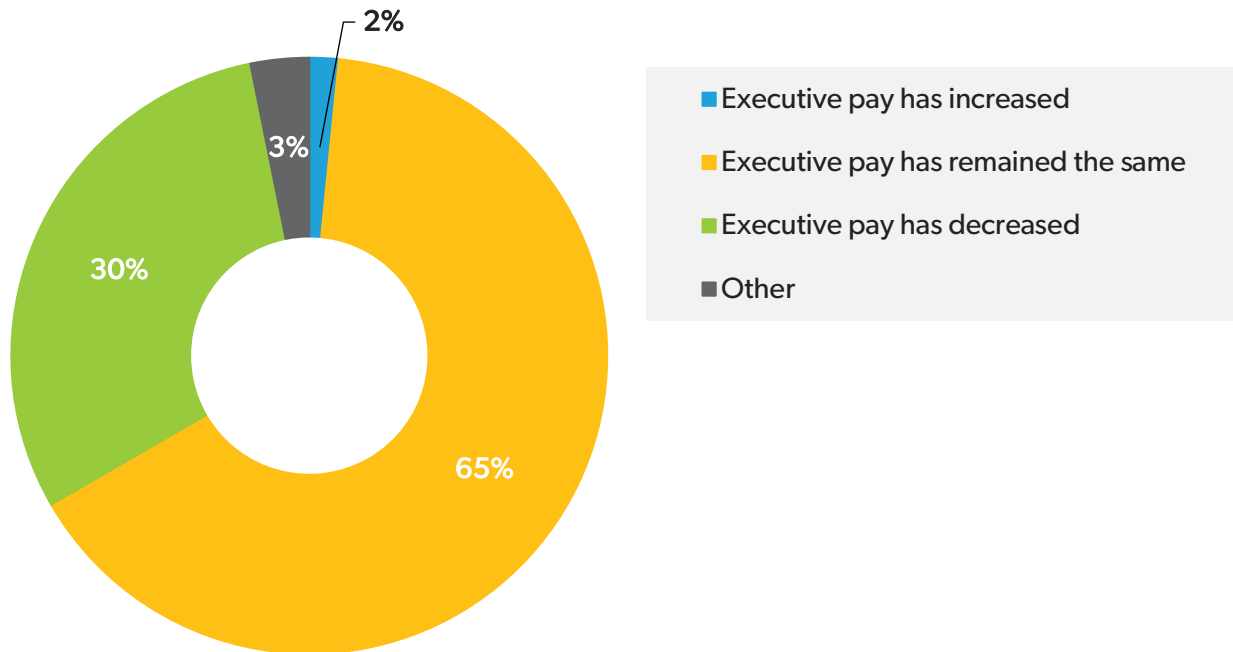


Changes to Executive Pay During COVID-19

July 2020

Changes to Executive Pay During COVID-19

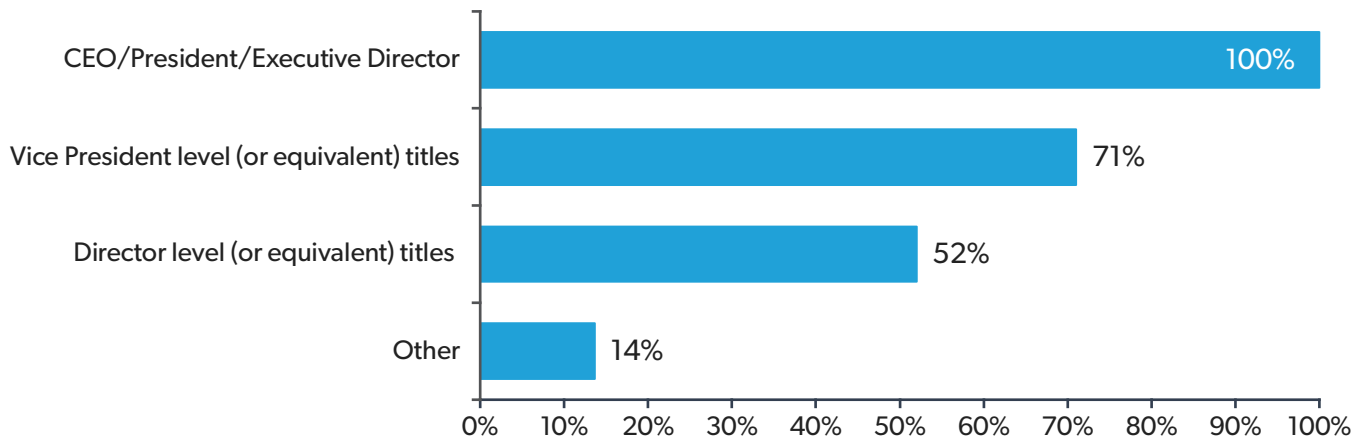
FIGURE 1 | At your organization, how (if at all) has executive pay been impacted by COVID-19 and the corresponding economic downturn?



“Other” responses cited included:

- When layoffs occurred at the organization, CEO decided not to take pay
- Heads of departments have reduced hours since layoffs occurred

FIGURE 1a | Which executive level titles were impacted by the decrease in compensation?



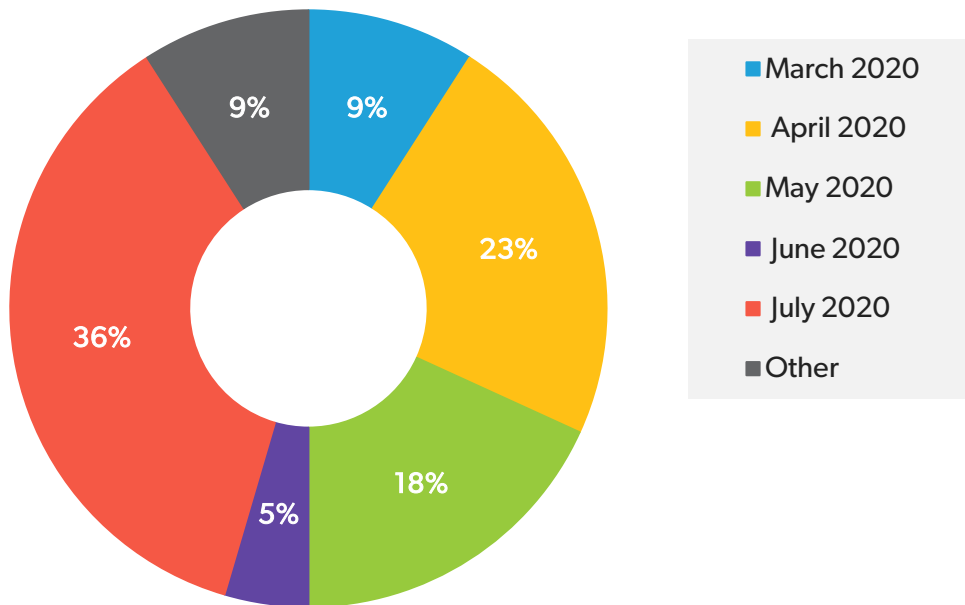
“Other” responses cited included:

- All exempt employees
- All senior management
- All employees

FIGURE 1b | On average, by what percentage did executive compensation change?

	Percent
Total	11.6%
Industry	
Manufacturing	10.5%
Non-Manufacturing	11.3%
Nonprofit	10.8%
Organizational Size	
1-25	15.0%
26-149	8.0%
150-499	14.4%
500 or more	13.2%

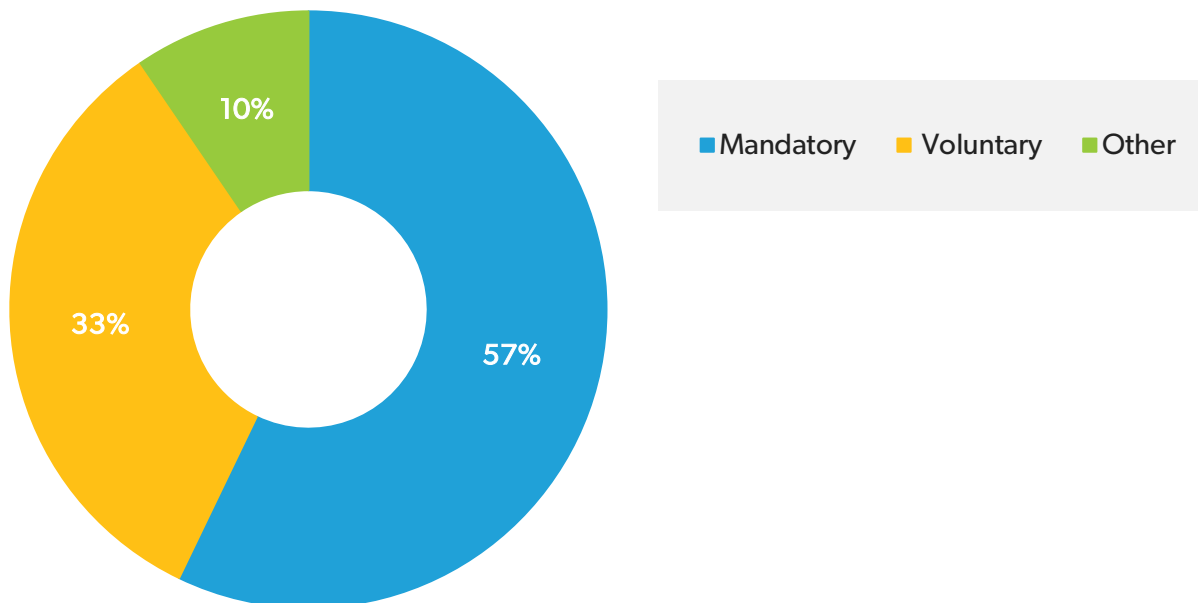
FIGURE 1c | When did the decrease in executive compensation go into effect?



“Other” responses cited included:

- Two smaller decreases spaced out several months apart
- End of fiscal year bonus was cut

FIGURE 1d | If executive pay has decreased, was the pay cut mandatory or voluntary?



“Other” responses cited included:

- The pay freeze was voluntary on the part of the CEO, but not for department heads – for them the reduction in hours was mandatory.

Participants were asked for additional information based on their response to the question displayed in **FIGURE 1d**. The responses provided are summarized in **FIGURE 1e** below.

FIGURE 1e | Please briefly describe how & why this decision was made

Participants indicating that the executive pay decrease was **mandatory** responded that the decrease was put in place for the reasons summarized below:

- (1) As an executive decision to cut costs
- (2) Due to sharp decreases in business revenue related to COVID-19
- (3) Exempt and non-exempt employees both took mandatory cuts (although exempt employees continued to work full time). Note: These cuts have now been restored somewhat.
- (4) Took a scaled approach to the cuts, with the CEO taking the largest cut and working down.
- (5) All employee increases were put on hold.
- (6) All employees took a pay cut

Participants indicating that the executive pay decrease was **voluntary** responded that the decrease was put in place for the reasons summarized below:

- (1) As a cost saving measure on payroll
- (2) To protect the pay of other positions
- (3) To avoid layoffs
- (4) Because other staff also took cuts/furloughs

Demographics

In total, 63 Northeast Ohio employers participated in the poll, which was conducted on July 13, 2020. The breakdown of the industries and organizational sizes (by employee count) they represent is displayed in **FIGURE 2** below.

FIGURE 2 | Industry & Organizational Size

Percent	
Industry	
Health and Human Services	3%
Hospitality/Entertainment/Media	0%
Manufacturing	41%
Nonprofit - Other	16%
Professional or Technical Services	17%
Wholesale/Distribution Trade	8%
Construction	3%
Other	3%
Organizational Size	
1-25	11%
26-149	46%
150-499	24%
500 or more	19%

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