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New Survey: Despite Tight Labor Market, Wage Growth Remains in Check

Majority of Businesses Expect Stagnant Wages in Q3

Almost 1/3 Will Increase Wages

OKLAHOMA CITY, July 26, 2017 – Express Employment Professionals today released new survey results revealing that despite the low unemployment rate, many businesses are not increasing wages.

In a survey of 533 businesses, respondents were asked, “Over the next three months, do you expect wages at your company to increase, decrease, or stay the same?”

Two-thirds, or 67 percent, said wages at their companies would “stay the same,” a number unchanged from the last quarterly survey.

On the bright side, 31 percent of respondents said they would increase wages, and only 2 percent expect wages to decrease.

Full results are below.

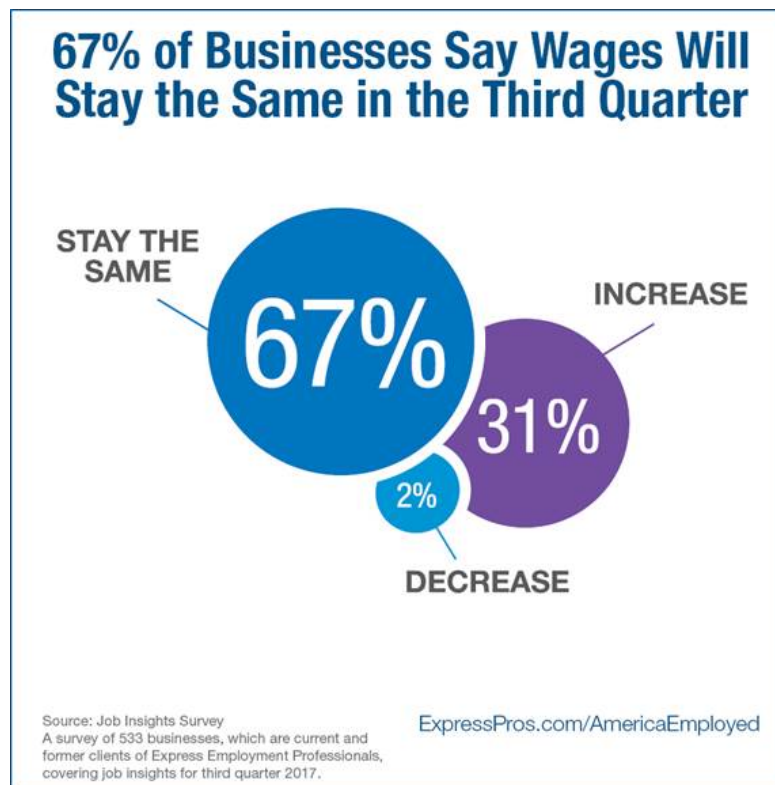
“This survey indicates that as many as one-in-three employees might look for a pay bump in the coming quarter. So, there’s certainly good news for some, but most workers will probably see unchanged wages,” said Bob Funk, CEO of Express, and a former chairman of the Federal Reserve Bank of Kansas City. “Going forward, as the labor market continues to tighten, we would expect to see higher rates of wage increases over the coming quarters.”

Lee Wenninger, owner of the north Indianapolis Express office, said his office has seen some wage increases but it’s slower than expected because it could mean higher prices for consumers.

“What’s good is that everyone understands the need for wage increases,” he said. “It’s just balancing inflation to budget to profit. If the consumer isn’t paying 5 percent more, how are businesses going to pay employees 10 percent more?”

A wage increase, however, could pay off in the form of reduced turnover. One of Wenninger’s clients averaged a turnover rate of 13-18 employees every month. After a bump in pay, the client only lost three people in a six-month period.

“Companies are waiting for the right time to increase wages, and I think a lot of them are reluctant to do it because consumers have gotten spoiled with low inflation for so long,” Wenninger said.



The survey of 533 businesses, which are current and former clients of Express Employment Professionals, was conducted in June 2017 to gauge respondents’ expectations for the third quarter of 2017. Previous surveys were conducted to cover hiring trends of the quarters indicated.

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 770 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 \$3.05 billion in sales and employed

a record 510,000 people in 2016. Its long-term goal is to put a million people to work annually. For more information, visit ExpressPros.com.