



FY 2016 Recommended Budget Budget Question

Board Question #: 13

BUDGET QUESTIONS: What has the private sector done for annual pay raises?

RESPONSE: In the private sector, the average annual pay increase is projected to be 2.9% - 3% of base pay for 2015 as per the attached 2014/2015 US Compensation Planning Executive Summary provided by Mercer LLC. Base salary increases have ranged from 2.8% to 2.9% in 2013 and 2014. The attached summary notes that organizations are continuing to differentiate pay for performance with salary increases ranging from an average 4.8% for the highest performers to an average 0.1% for the lowest.