

EDUCATION INDUSTRY

From the 2018 Compensation Best Practices Report

240+ RESPONDENTS



PayScale's 2018 Compensation Best Practices Report collected data from more than 7,000 respondents across various industries, geographies, and organizational sizes. This fact sheet illustrates compensation practices from more than 240 respondents in the education industry. Here, you'll find insights to help guide your tech organization, such as:

- Education organizations are much less likely to offer goal-based bonuses or incentives.
- Education organizations are more likely to offer perks such as pensions, paid sabbatical and education or tuition reimbursement.
- Thirty-nine percent of Education organizations have changed their pay strategy as a result of employee engagement feedback.

BASE PAY, MARKET STUDY AND BROAD COMP PRACTICE

73% of education gave base pay increases in 2017 (vs. 79 percent of all).

Budgeted for Increases			Average Increase			Highest Increase		
	Education	All		Education	All		Education	All
Less than 1.00%	5%	3%	Less than 1.00%	4%	3%	Less than 1.00%	4%	2%
1.00-1.49%	9%	6%	1.00-1.49%	13%	6%	1.00-1.99%	6%	3%
1.50-1.99%	15%	6%	1.50-1.99%	11%	6%	2.00-2.99%	9%	6%
2.00-2.49%	14%	14%	2.00-2.49%	19%	14%	3%	11%	7%
2.50-2.99%	8%	11%	2.50-2.99%	12%	11%	3.01-3.49%	4%	3%
3.0%	26%	31%	3.0%	19%	31%	3.50-3.99%	3%	3%
3.01-3.49%	3%	6%	3.01-3.49%	5%	6%	4.00-4.99%	8%	7%
3.50-3.99%	4%	4%	3.50-3.99%	5%	4%	5.00-5.99%	12%	13%
4.00-5.0%	8%	10%	4.00-5.0%	7%	10%	6.00-7.49%	6%	8%
More than 5%	7%	9%	More than 5%	5%	9%	7.50-9.99%	5%	9%
						10.0-14.99%	20%	20%
						15..00-19.99%	8%	7%
						20-30%	2%	9%
						More than 30%	2%	4%

TOP REASONS FOR BASE PAY INCREASES IN 2017:

Performance (59 percent vs. 78 percent of all).

Cost-of-Living (57 percent vs. 42 percent of all).

Retention (56 percent vs. 54 percent of all).

MARKET AND DATA STUDY

54% of Education organizations have completed a full market study within the past year (vs. 52 percent of all).

37% of Education organizations reference market data for jobs at least monthly (vs. 35 percent of all).

82% of Education organizations use two or more sources of market data - on par with organizations overall.

STRATEGY

41% of Education organizations have a compensation strategy (vs. 37 percent of all), and another 28 percent are developing one (vs. 37 percent of all).

19% of Education organizations report that over half their jobs are competitive (vs. 29 percent of all).

46% of Education organizations pay more for competitive jobs (vs. 51 percent of all).

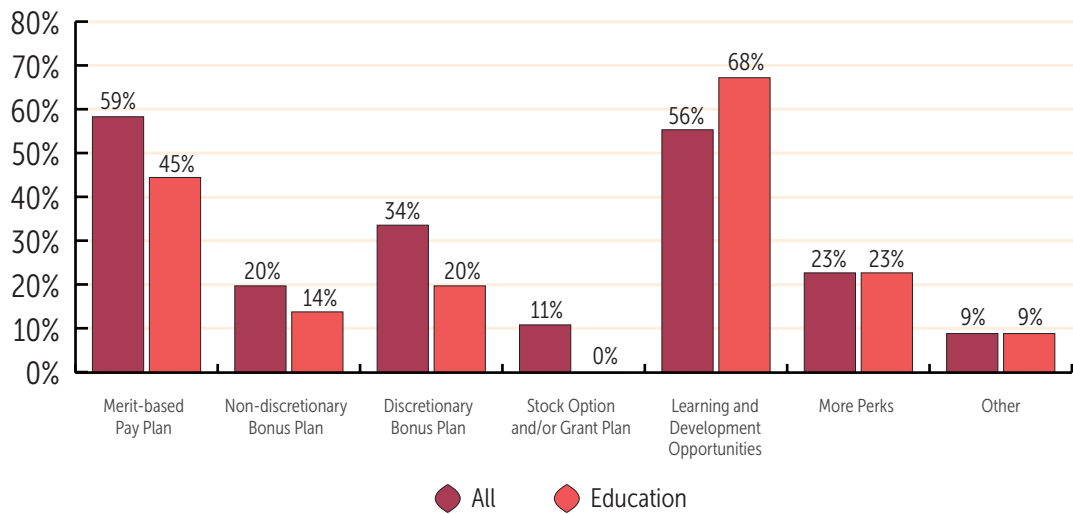
The main reasons for Education organizations to adjust comp strategy in 2017 were retention (74 percent vs. 76 percent of all), recruitment (67 percent vs. 68 percent of all), and pay for hot skills (46 percent vs. 56 percent of all). Twenty-one percent of Education organizations are changing comp strategies to accommodate millennials (vs. 23 percent of all).

RETENTION

Education organizations are less likely to counteroffer a high-performing employee who received an outside offer (13 percent vs. 20 percent of all).



Rewards to Attract/Retain High-Performing Employees



34% of Education organizations have had open positions for six months or more (vs. 35 percent of all).

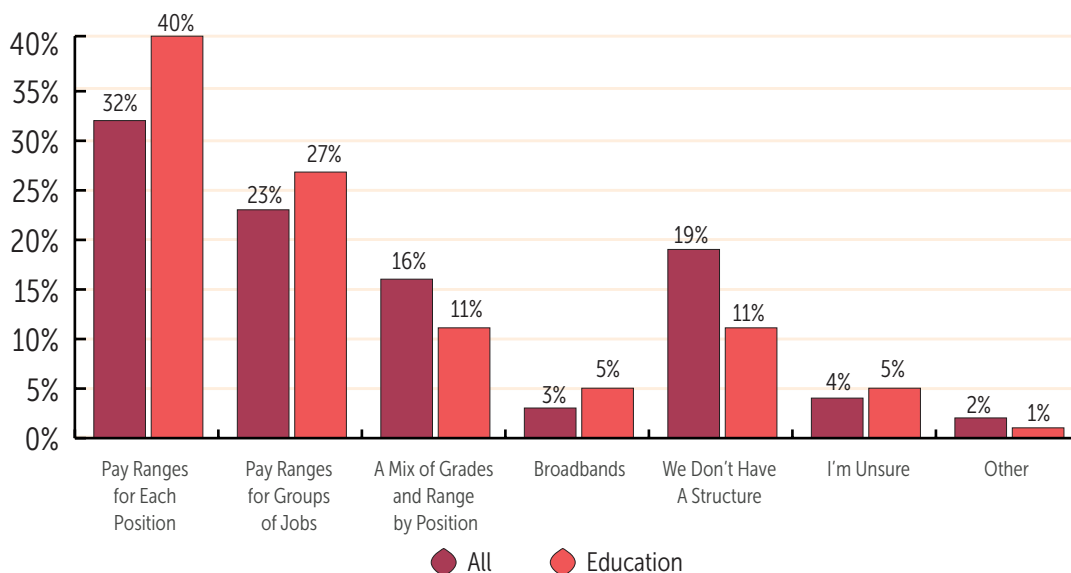
GUIDELINES FOR PAY AND PAY STRUCTURE

59% of Education organizations have updated their ranges in the past year (vs. 61 percent of all).

32% of Education organizations adjusted ranges due to market movement (vs. 36 percent of all).

27% of Education organizations adjusted ranges due to annual or regularly occurring review (vs. 25 percent of all).

Compensation Plan Structure



VARIABLE PAY AND TOTAL REWARDS

33% of Education have variable pay (vs. 71 percent of all).

BENEFITS AND PERKS

	Education	All
Employer-paid medical, dental, etc.	75%	75%
Accrued or granted PTO	44%	54%
Unlimited PTO	2%	6%
Accrued or granted vacation	62%	44%
Paid vacation (reimbursed)	30%	26%
Accrued or granted sick	67%	45%
403b or 401k (or other retirement contributions)	67%	67%
Pension	26%	15%
Equity	3%	11%
Commute time	4%	3%
Remote work	39%	39%
Paid sabbatical	16%	4%
Unpaid sabbatical	9%	6%
Paid family leave	36%	29%
Education or tuition reimbursement	57%	46%
Gym membership or reimbursement	21%	22%
Transportation allowance	13%	19%
Paid childcare	9%	2%
Other	11%	12%

CULTURE (ENGAGEMENT, PERFORMANCE, COMMUNICATION)

37% of Education organizations measure engagement more frequently than annually (vs. 44 percent of all).

40% of Education organizations agree that comp drives engagement (vs. 48 percent of all).

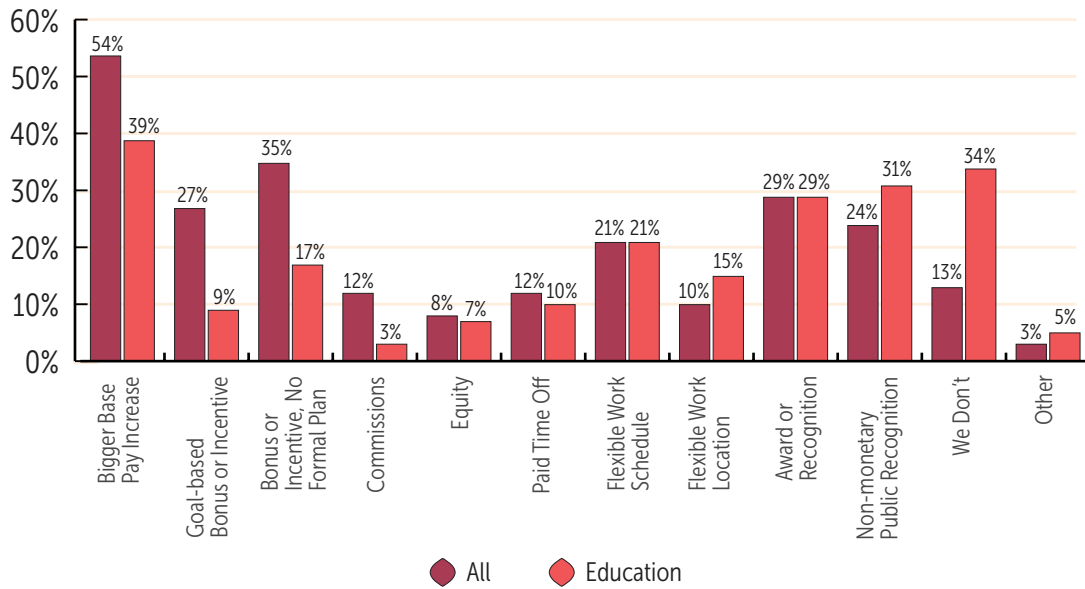
39% of Education organizations have changed pay as a result of engagement survey feedback (vs. 27 percent of all).

		Level 1	Level 2	Level 3	Level 4	Level 5
		Your organization tells employees when and what to expect on their paycheck	Your organization shares some market data with employees	Your organization has a comp plan and shares pay ranges with individual employees	Your organization's comp plan reflects org culture, drives talent strategy, and is open to EEs	Ranges and employee pay information is available to all employees
Education Companies	2017 Level	42%	17%	23%	7%	11%
	2018 Target	20%	15%	28%	27%	10%
All Companies	2017 Level	48%	21%	17%	7%	6%
	2018 Target	24%	19%	27%	22%	8%

Only 13 percent of Education organizations are very confident about their managers’ abilities to have tough pay conversations with employees (vs. 17 percent of all). And yet only 22 percent of Education organizations teach their managers to talk about pay (vs. 29 percent of all). Forty-four percent of Education organizations share total compensation statements with employees (vs. 36 percent of all).

Education organizations are likely to evaluate performance on an annual basis (64 percent vs. 63 percent of all). They are more likely to use real-time ongoing feedback (seven percent vs. nine percent of all). Another seven percent don’t conduct performance reviews (vs. eight percent of all).

Methods of Recognizing Top Performers



INDUSTRY DEMOGRAPHICS

Organization Headquartered		
	All	Education
United States	73%	82%
Australia	2%	1%
Canada	8%	6%
India	5%	4%
New Zealand	1%	0%
South Africa	2%	1%
United Kingdom	2%	1%
Other	8%	5%

Separate Locations		
	All	Education
1 Exclusive Location	37%	44%
2-10 Separate Locations	42%	45%
11-20 Separate Locations	7%	3%
21+ Separate Locations	14%	8%

Full-time Employees		
	All	Education
1-99 employees	48%	41%
100-749 employees	29%	37%
750-4,999 employees	13%	15%
5,000 or more employees	10%	7%

Part-time Employees		
	All	Education
0 part-time or contract employees	48%	41%
1-99 part-time or contract employees	48%	41%
100-749 part-time or contract employees	29%	37%
750-4,999 part-time or contract employees	13%	15%
5,000 or more part-time or contract employees	10%	7%

Role in Compensation			
	Approve	Recommend	Communicate
CEO	65%	26%	21%
CFO	34%	32%	12%
COO	15%	13%	3%
Board of Directors	40%	10%	5%
Function Vice President	23%	25%	20%
Function Director	14%	30%	28%
Function Manager	5%	30%	30%
HR Team/HR Manager	23%	47%	45%
Comp Team/Comp Manager	10%	18%	13%

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