

Mind the Gap: Perceived Pay vs Reality

Today's Presenters



Amy Stewart
Principal Content Strategist



Brian Calhoun
HR Business Partner



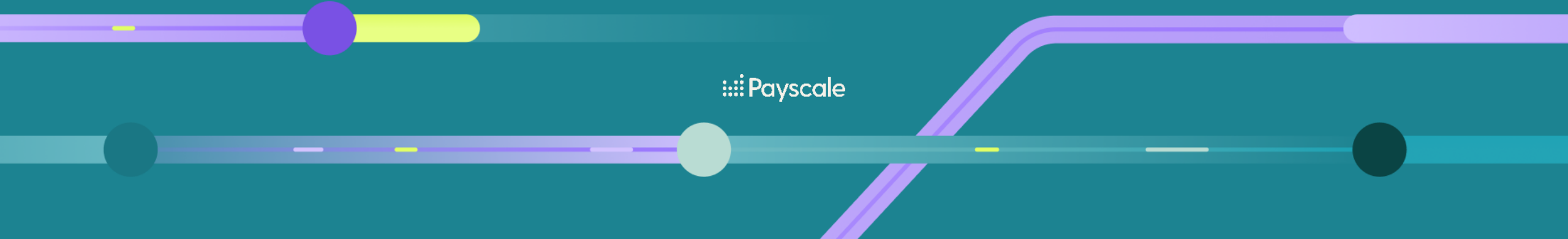
Simone Stewart
Senior HR Business Partner

Agenda

- Current talent market
- Fair pay perception
- Wage expectations
- Pay transparency
- Pay communications

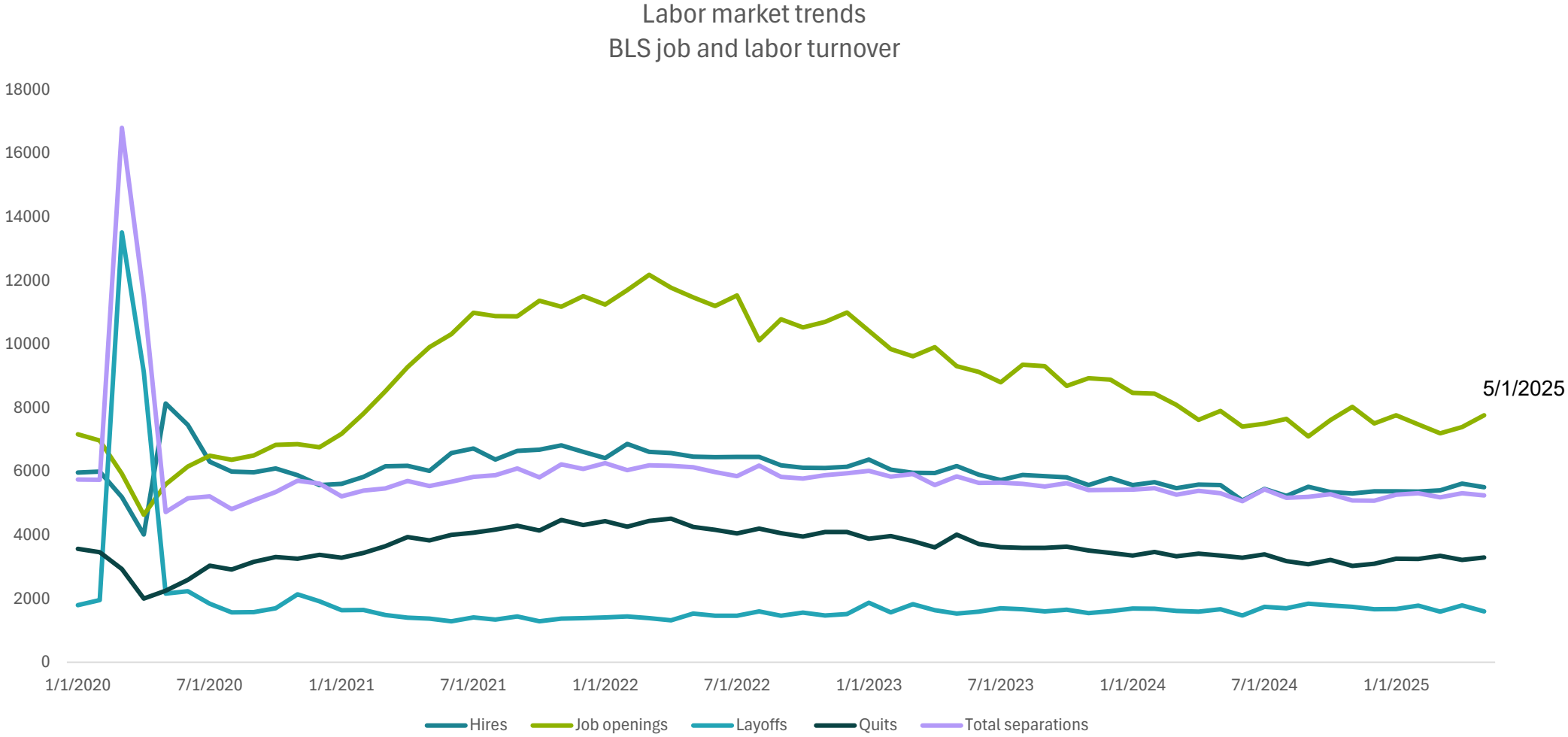
Current talent market

*Q: What are you hearing from job candidates
on salary offers in the current market?*



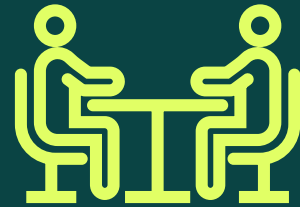
 Payscale

State of the 2025 labor market



State of the 2025 labor market

Median # of days to fill open jobs is decreasing				
Industry	2022	2023	2024	2025
Overall	27	28	23	24
Accommodation and Food Services	29	30	25	27
Administrative and Support and Waste Management and Remediation Services	25	26	21	20
Agriculture, Forestry, Fishing and Hunting	29	28	25	26
Arts, Entertainment, and Recreation	29	29	24	26
Construction	29	29	26	26
Educational Services	29	30	24	27
Finance and Insurance	27	28	22	23
Health Care and Social Assistance	27	29	22	24
Information	27	28	22	22
Management of Companies and Enterprises	28	29	23	26
Manufacturing	27	29	23	25
Mining, Quarrying, and Oil and Gas Extraction	29	30	25	25
Other Services (except Public Administration)	28	29	23	26
Professional, Scientific, and Technical Services	26	28	21	22
Public Administration	26	26	20	21
Real Estate and Rental and Leasing	28	29	25	26
Retail Trade	28	29	24	25
Transportation and Warehousing	26	28	21	25
Unclassified Industry	30	29	28	24
Utilities	26	29	23	24
Wholesale Trade	28	29	24	25

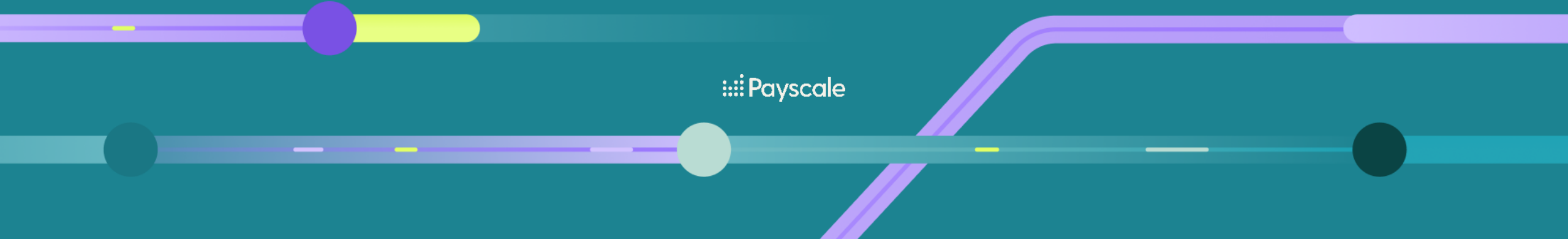


What are you hearing from job candidates on salary offers in the current market?

Labor market discussion

Fair pay perception

Q: How do you use data to build trust with employees around their rewards package?

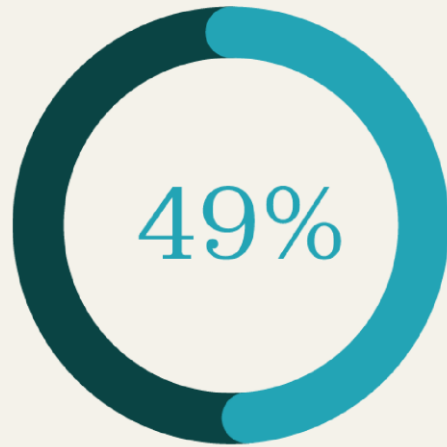


PayScale

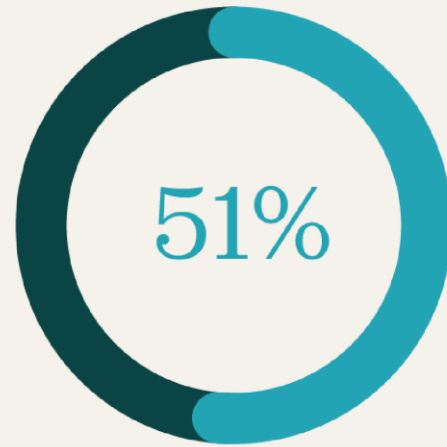
Perception of fair pay has worsened

2021

Those who think they're paid below market are...



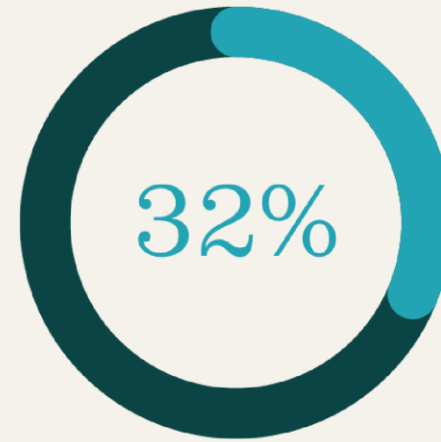
Actually below



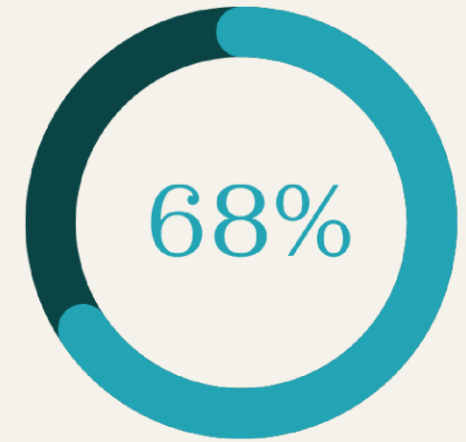
Actually at or above market

2025

Those who think they're paid below market are...



Actually below



Actually at or above market

Poor pay perception increases likelihood to seek a new job

% of job seekers with
poor pay perception

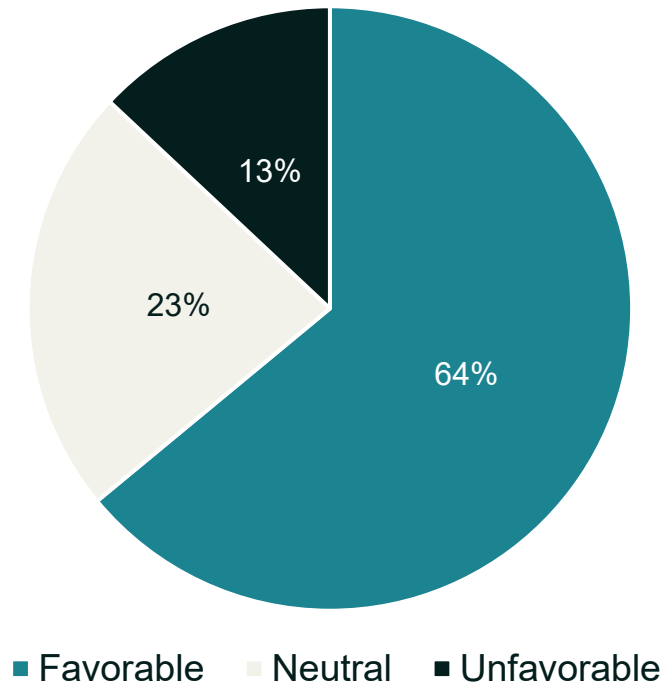
65%

% of job seekers
without poor pay
perception

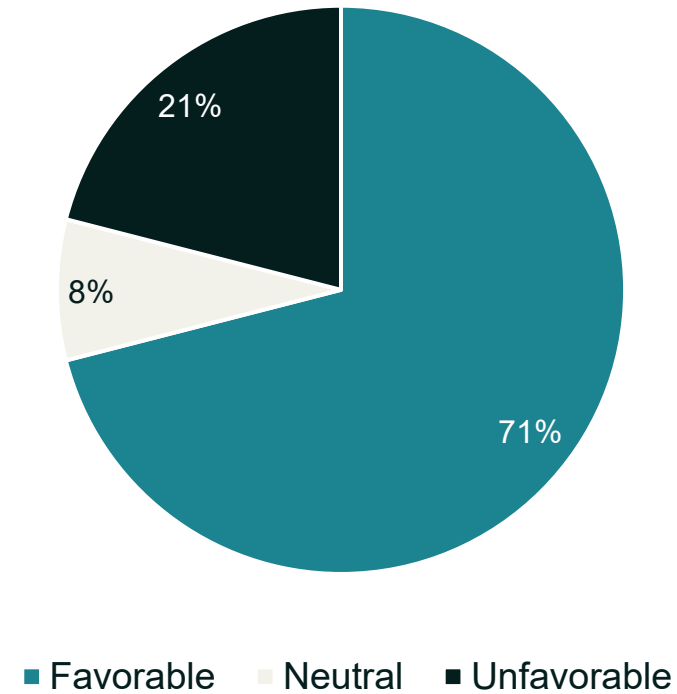
35%

Employee engagement survey

I believe my compensation (base salary + bonus) is fair for what I do.



I am paid fairly for the work I perform



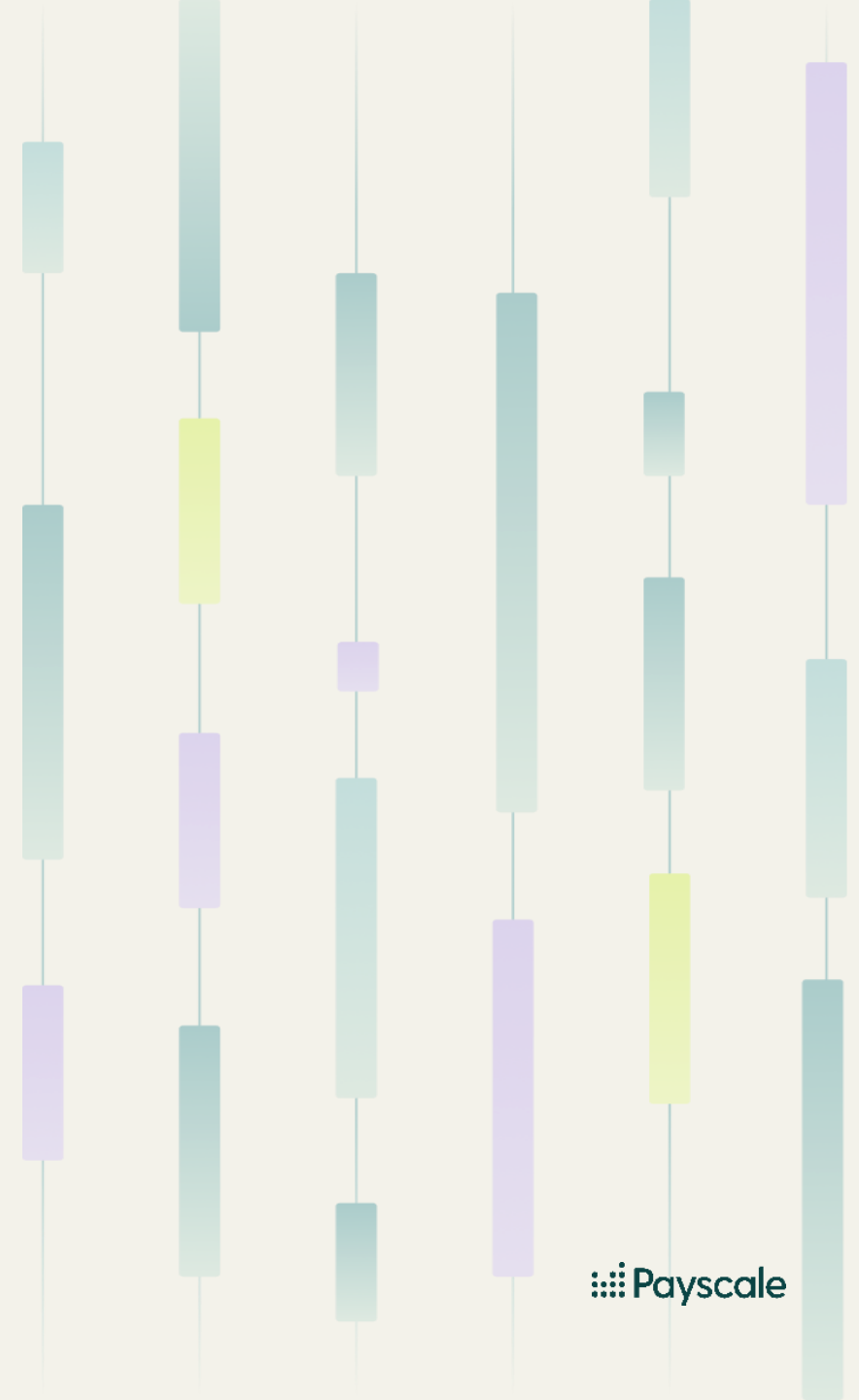
Poll: Have you lost talent due to poor pay perception?

A. Yes, and it's a problem

B. Yes, and it's expected

C. No

D. Unsure



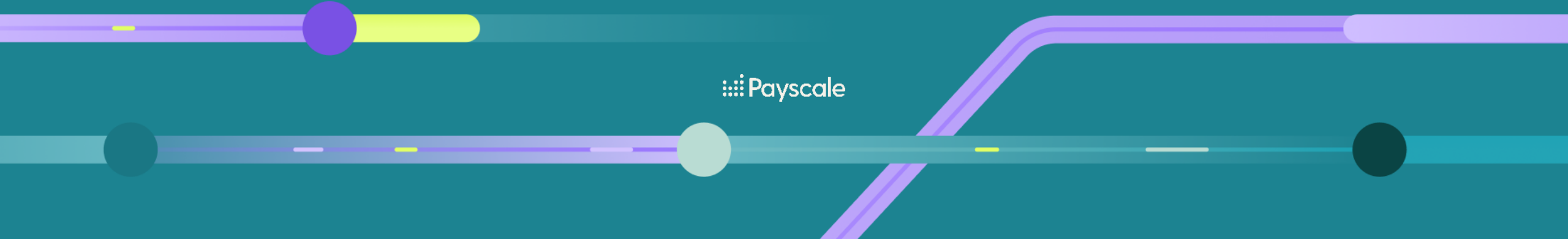


How do you use data to build trust with employees around their rewards package?

Fair pay perception discussion

Wage expectations

*Q: What is the impact of remote environments
on job satisfaction and fair pay perception?*

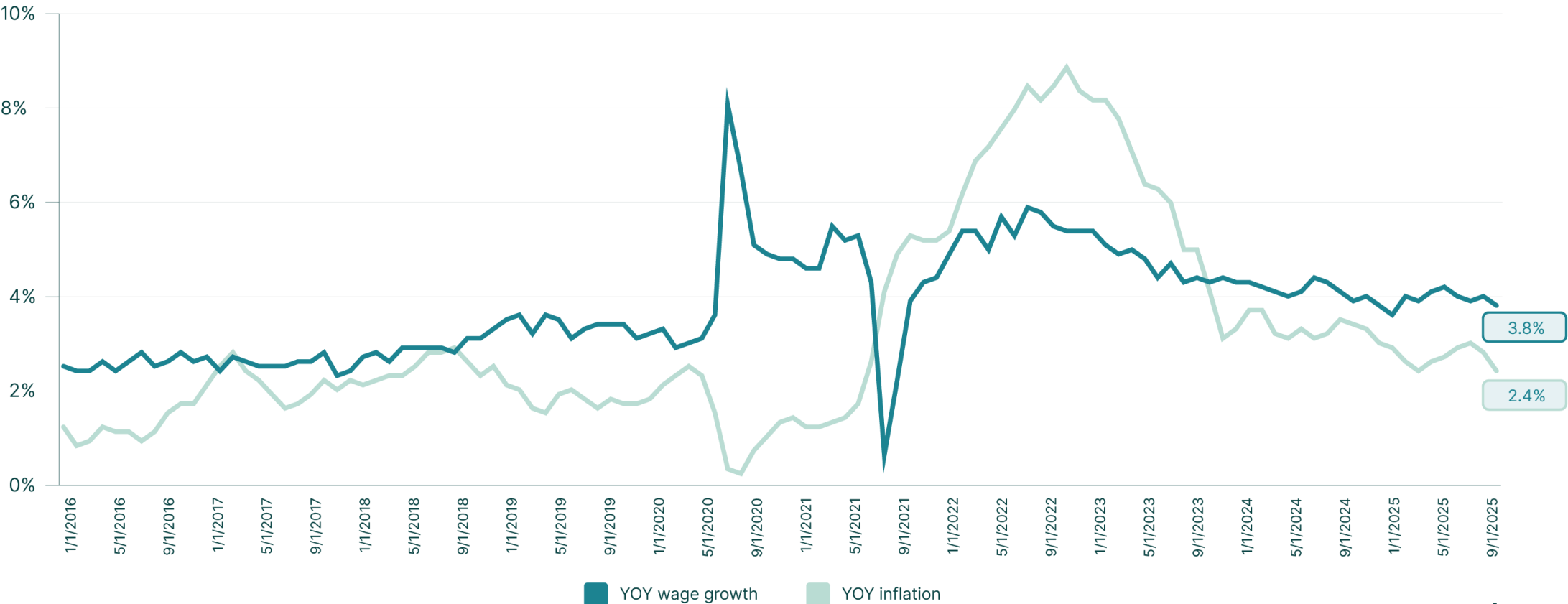


PayScale

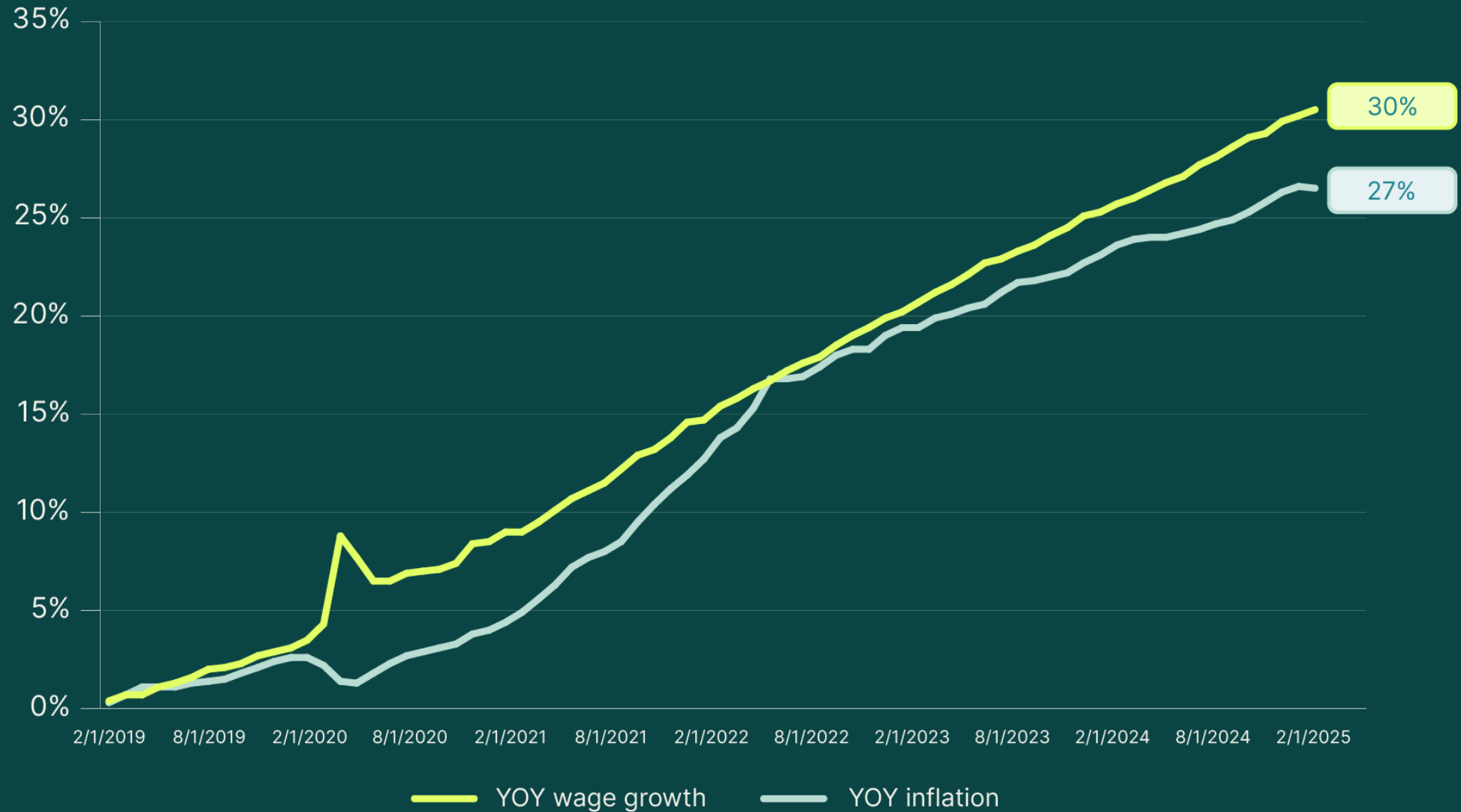
Inflation vs. Wage Growth

YOY growth: Nominal wages vs inflation

Source: U.S. Bureau of Labor Statistics



Cumulative wages have exceeded inflation



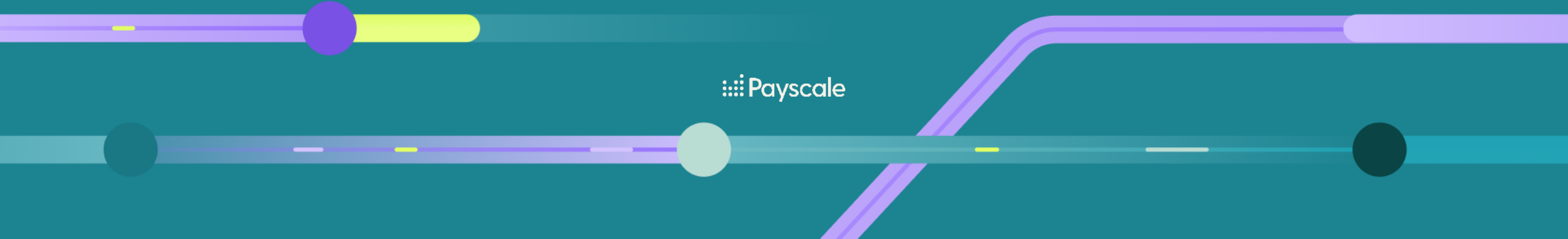


What is the impact of remote environments on job satisfaction and fair pay perception?

Wage expectations discussion

Pay transparency

Q: How do you use pay transparency to create a comp story for longevity with the organization?



PayScale

The pay transparency spectrum



What

Your organization tells employees when and what to expect on their paycheck.

How

Your organization shares some market data with employees.

Where

Your organization has a comp plan and shares pay ranges with individual employees.

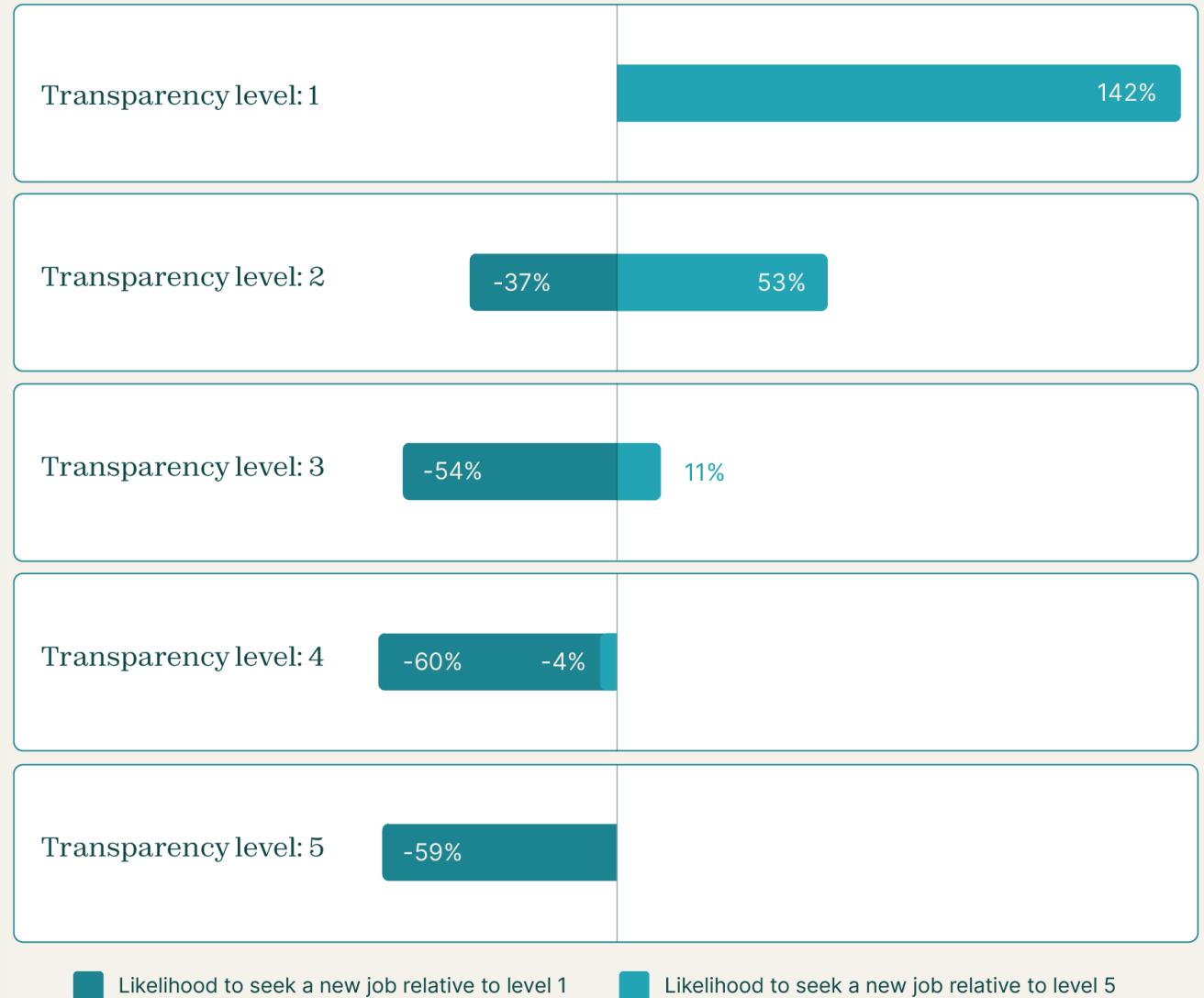
Why

Your organization's comp plan reflects org culture, drives talent strategy, and is open to EEs.

Whoa

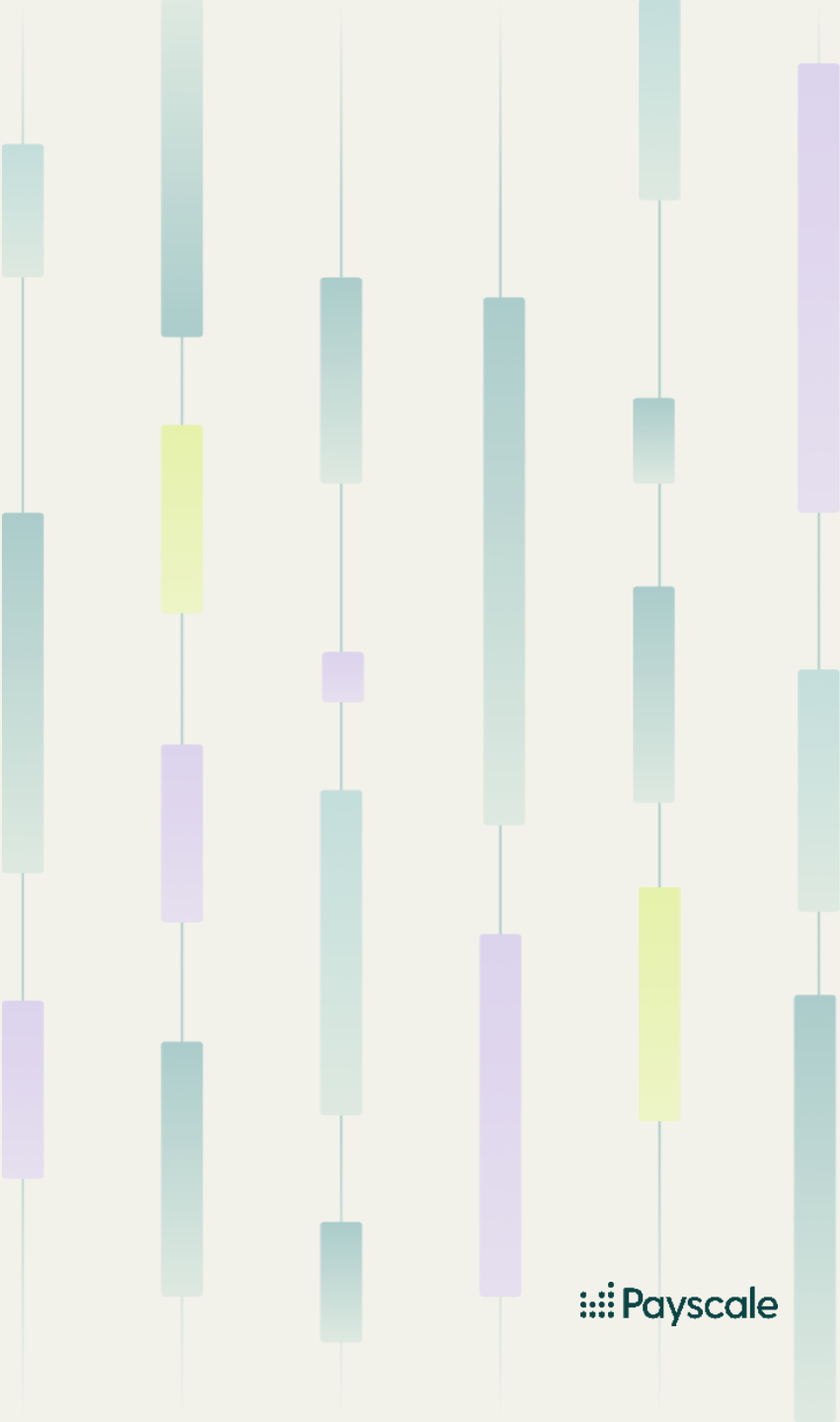
Ranges and employees pay information is available to all employees.

Pay transparency is correlated with employee retention



Poll: How transparent is your organization about pay?

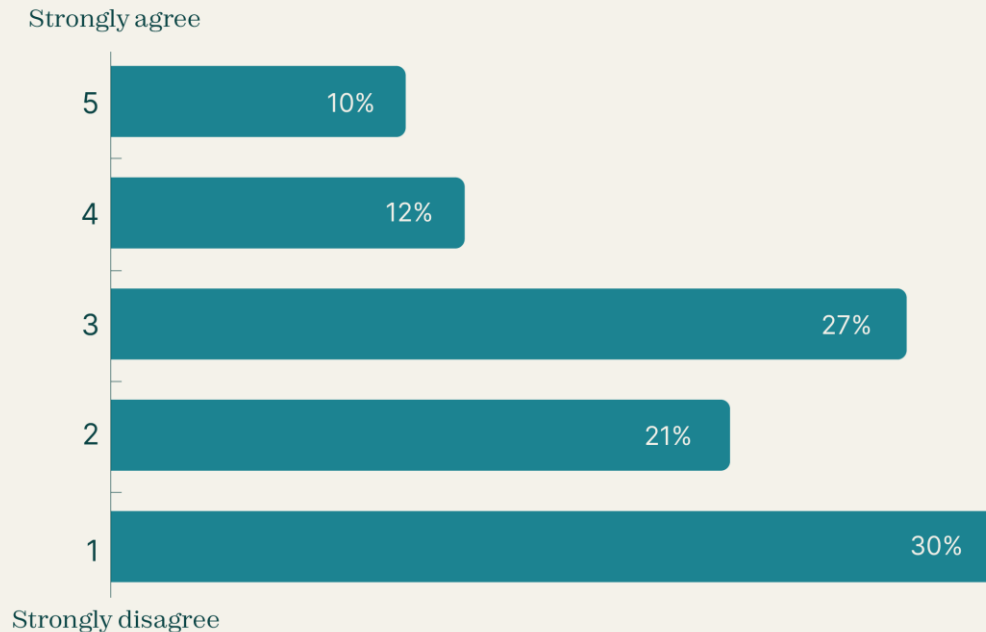
- A. 5 – Whoa
- B. 4 – Why
- C. 3 – Where
- D. 2 – How
- E. 1 – What



Perception of pay transparency hasn't changed

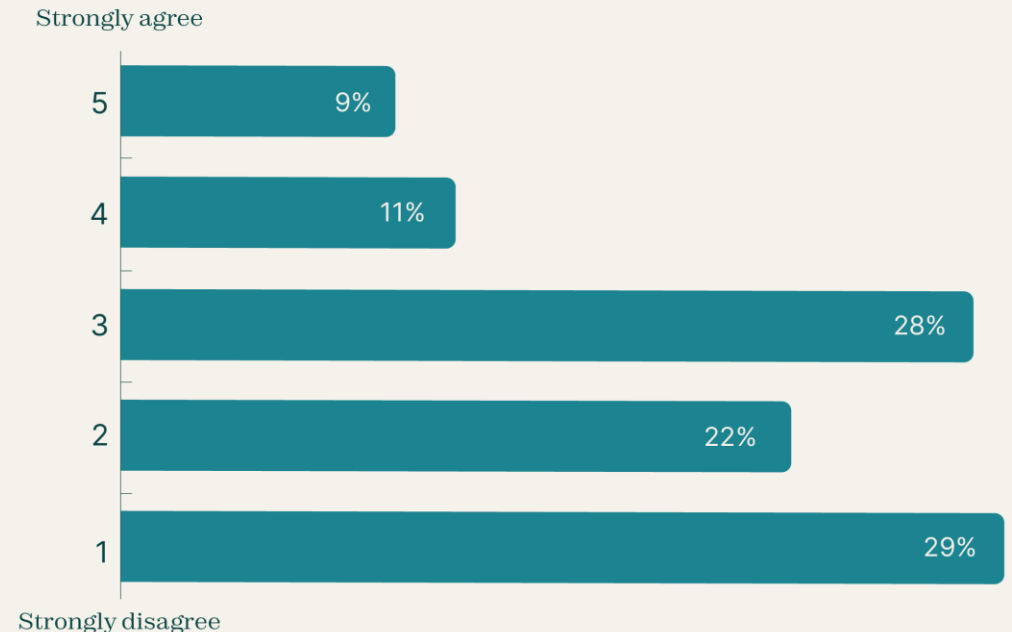
Pay transparency across respondents

2021



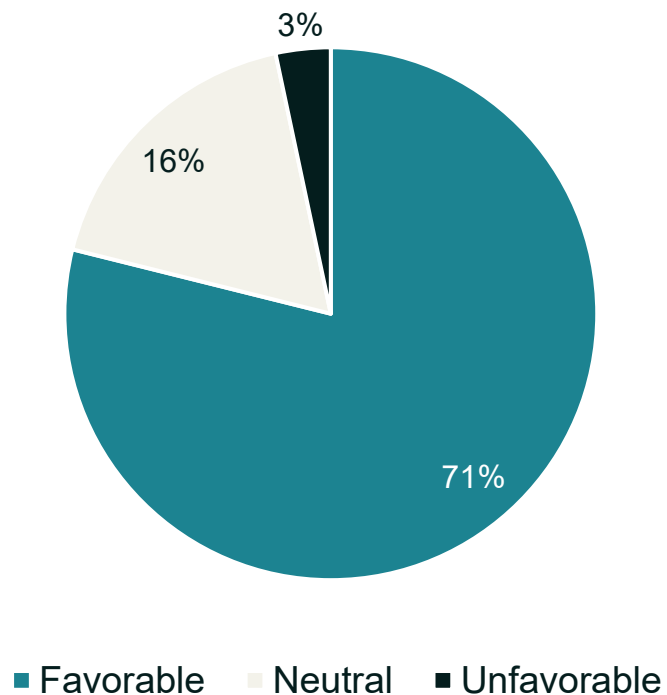
Pay transparency across respondents

2025

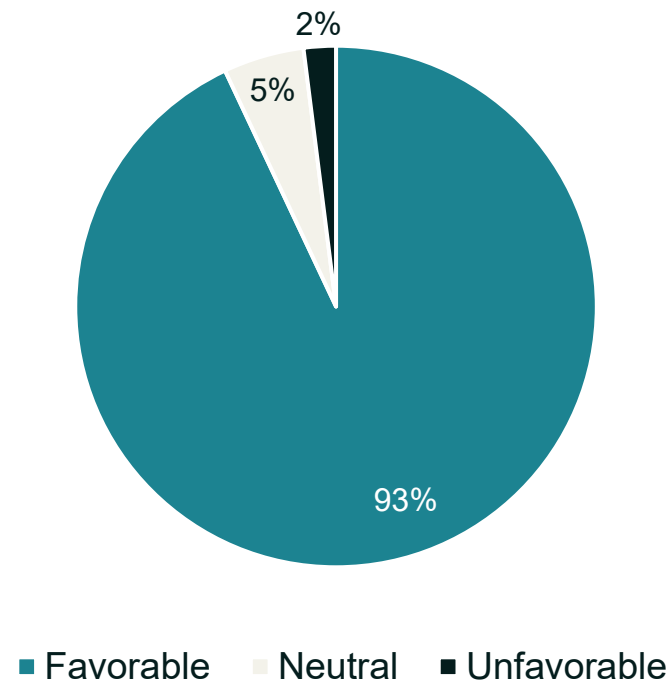


Employee engagement survey

I am satisfied with the level of transparency around compensation



I understand my total compensation package (base salary + bonus)





How do you use pay transparency to create a comp story for longevity with the organization?

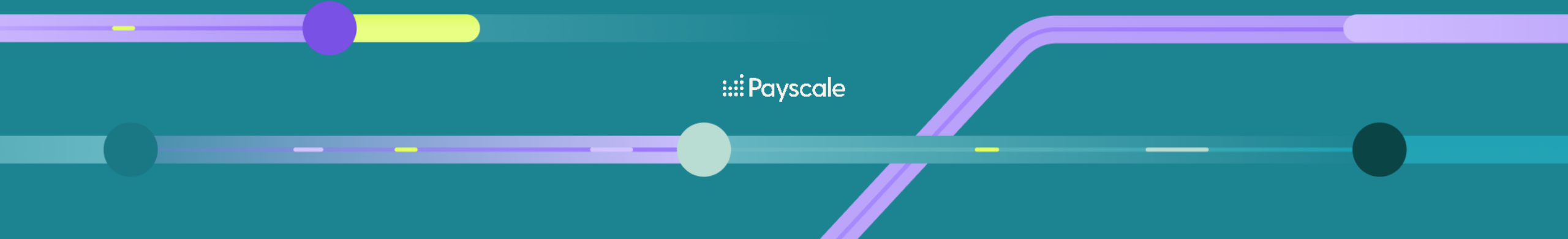
Pay transparency discussion

2024 Payscale Pay Equity Findings

Category	2023 Payscale Pay Gap	2024 Payscale Pay Gap	Industry Benchmark (Tech)	*US National Benchmark
Controlled Gender Pay Gap	1% (99 cents per \$1)	-2% (\$1.02 per \$1)	-1% (\$1.01 per \$1)	N/A
Uncontrolled Gender Pay Gap	5% (95 cents per \$1)	3% (97 cents per \$1)	11% (89 cents per \$1)	17% (83 cents per \$1)
Controlled Race & Ethnicity Pay Gap	1% (99 cents per \$1)	-3% (\$1.03 per \$1)	N/A	N/A
Uncontrolled Race & Ethnicity Pay Gap	-1% (\$1.01 per \$1) N/A	-2% (\$1.02 per \$1)	N/A	N/A

Pay communications

Q: How do you defend your pay practices when employees are increasingly discussing pay openly?



PayScale

Types of pay communications



Meetings



Intranet



Statements



Surveys

Pay statements can be
a great competitive
differentiator and an
asset for attracting
and retaining talent



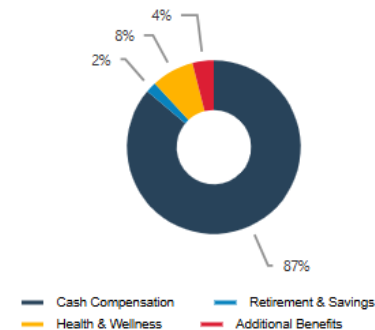
Your Total Rewards Statement

John Smith (12345)

Statement Summary

Your Company is pleased to present you with a picture of your total compensation for 2025. While cash compensation is the largest portion of your total compensation package, Your Company also makes significant contributions to your retirement savings, health insurance and other benefits. We prepared this statement to help you to better understand the true value of your compensation. Thank you for your contributions to Your Company!, John!

Your Total Rewards Breakdown



In addition, the company also provides:

So many awesome perks! The cold brew, Bevi, beer on tap, snacks, free lunches. **Wow**, that all adds up!

Cash Compensation

Base Salary	\$150,000
Bonus	\$10,000
Short Term Incentive	\$5,000
Long Term Incentive	\$10,000
TOTAL	\$175,000

Retirement & Savings

401K Savings Match	\$1,500
Pension Plan	\$2,500
TOTAL	\$4,000

Health & Wellness

Medical Insurance	\$11,500
Dental Insurance	\$550
Vision Insurance	\$120
Life Insurance	\$350
Long Term Disability	\$600
Short Term Disability	\$2,400
TOTAL	\$15,520

Additional Benefits

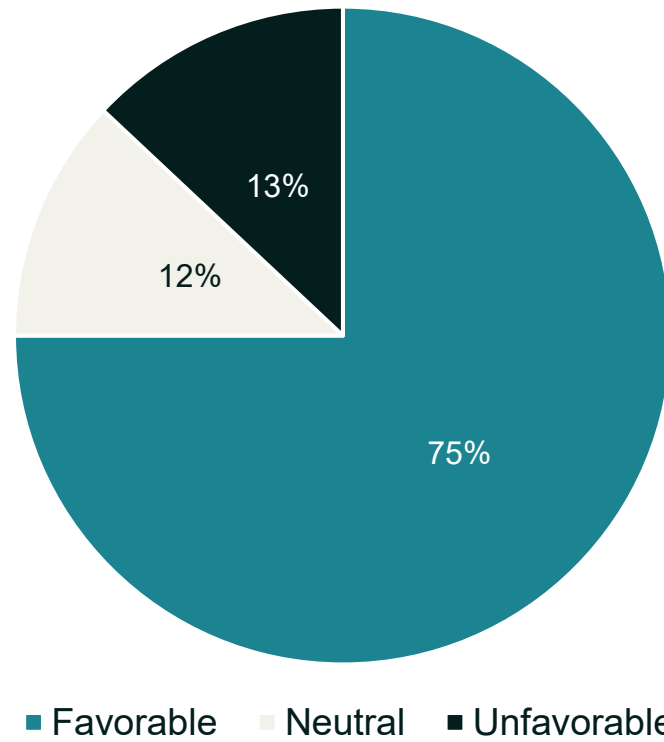
Tuition Reimbursement	\$1,200
Paid Time Off	\$5,700
Other Allowances	\$500
TOTAL	\$7,400

Your Total Rewards Value

\$201,920

Employee engagement survey

I have had a meaningful compensation conversation with my manager in the last 12 months





How do you defend your pay practices when employees are increasingly discussing pay openly?

Pay communications discussion



**Interested in a demo of
Payscale's compensation
management solutions and data?**

Let us know in the poll currently
open in the polling tab and the team
will be in touch!

Q&A

Feel free to ask any questions in the
Q&A section of your dashboard!