



# What's the price of free salary data?



A hand holds a smartphone displaying a Google search for 'salaries'. A large white circle is overlaid on the screen, containing the title 'Googling salaries isn't a data strategy' in dark blue and purple text. The background of the entire page is a solid dark blue.

# Googling salaries isn't a data strategy

**A little free salary data can be worse than no data at all. Here's a cautionary tale for you to consider.**

A tech startup desperately needed AI engineers but had no clue what to offer them. So, it turned to Glassdoor. Searching a handful of competitors, the company decided to offer salaries well above the market midpoint.

What it didn't know was that some of its competitors encouraged employees to post positive reviews. Only workers satisfied with their pay did, inflating their salaries as well.

Applications flooded in, and the startup figured it'd done the right thing. One newly hired engineer even relocated across country — the offer was that enticing.

But soon after, several long-tenured employees abruptly resigned, disgruntled with the salaries the company was throwing at new hires. The company couldn't afford to lose them, so it hired them back as contractors at even higher rates.

With its increasingly bloated payroll, the startup quickly ran into financial trouble. Layoffs were the only option. The engineer who relocated across country hadn't even unpacked her moving boxes before learning of her layoff. The company wasn't able to launch its AI product and ended up alienating much of its workforce.

## Was this a poor business decision? Not exactly.

The company's founders weren't stupid. They were smart people who made a call based on insufficient free data.

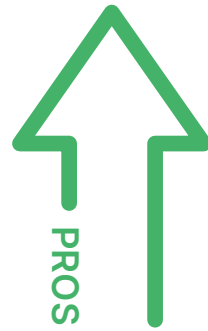
Free online data — including everything from job postings and employee-reported data sets to searching salaries on ChatGPT — has its use cases. If you're unsure about survey pricings, gut-checking them against online sources makes sense. It's much more efficient than calling a recruiter.

**Problems arise when companies rely on free online data as their primary source of salary information.** It's easier for larger organizations with a dedicated compensation team to avoid benchmarking against potentially inaccurate and opaque online data.

Smaller companies, without the budget for more reliable HR-reported data, might feel compelled to turn to online data. After all, what are their options?

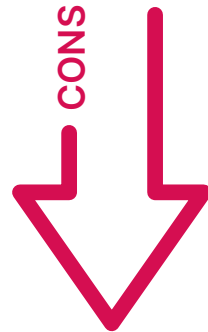
We're here to tell you there are better, cost-effective alternatives. But before discussing them, let's at least give free salary data a fair shot. Like any data source, it's not all bad. As one part of your data strategy, online salary data can deliver value if used selectively.





## Free online salary data

- **Free:** Accessible at no cost to your organization.
- **Reflects the Market:** Provides instant real-time insights into the job market.
- **Broad Coverage:** Millions of jobs and salaries are just a simple search away.



- **Unverified Data:** Free online salary data is hard to verify as it depends on employee-reported salaries and job postings.
- **Difficult to Match:** Matching job titles alone misses compensable factors such as experience, skills, and responsibilities.
- **Industry Variation:** Different industries offer vastly different salaries, benefits, and variable pay (such as bonuses) for the same role.

## ChatGPT that salary range?

We asked more than 3,500 organizations about the market data sources they use. And lo and behold, the popularity of free salary data grew last year. 52 percent of organizations admitted to using free online data compared to 48 percent the year before.

However, free salary data is also one of the least trusted sources. What gives?

As mentioned, organizations may be using online salary data the same way comp professionals used recruiters before Glassdoor existed — to validate job pricings against more reliable HR-reported sources.

But the increased use of free salary sources may also indicate organizations looking to cut costs amid uncertain economic conditions. Perhaps the largest benefit of free salary data is, well, it's free. No-cost options are always appealing.



## Let's look at some of the other benefits of free online data:

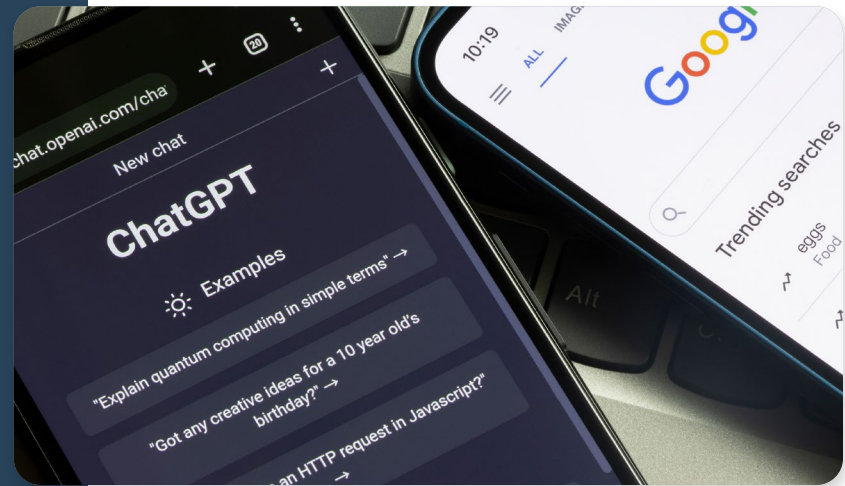
**Reflects Current Market Trends:** Unlike surveys from traditional publishers, many free salary data sources are continuously updated. This gives you a better sense of real-time pay trends, which can prove useful in recruitment and pricing emerging or hot jobs.

**Improves Employee Pay Communications:** Much of the free online data available today is reported by employees. If you think your organization's employees aren't comparing their pay with others online, you obviously haven't heard of Reddit.

Understanding the compensable factors of jobs from employee-reported data equips HR practitioners to have productive pay conversations. You can actually explain to workers how your pay structures were created and how and why they may differ from online market ranges.

**Broad Range of Jobs:** Websites such as Salary.com, Glassdoor, LinkedIn, and Indeed (and, yes, Payscale) serve up the salaries for millions of job titles. You can also simply visit a search engine, enter a job title, and the average pay for a position pops up.

With AI-generative answers now embedded in the most popular search engines, you don't even have to scroll. Google will offer a geographic pay differential without you having to ask.



With so much salary data just a query away, why shouldn't organizations use it? What's the harm in asking ChatGPT for a salary range? OpenAI has even started to include footnotes in their outputs, pointing users to legitimate free salary sources such as the Bureau of Labor Statistics (BLS). (BLS data is an example of a trustworthy free source, although it lags the market, and lacks the granularity for making job matches).

But before we get trigger-happy about leveraging free salary data, let's remember the sad story of the startup above. It demonstrates how free online data can cost organizations a hefty sum due to its inherent biases and limitations.

# The challenges of free salary data

Unfortunately, the advantages of using free salary data don't eliminate its significant challenges as a source. Let's examine a few.

**Difficult to Verify:** Sites such as Glassdoor were built around the principle of anonymity. Anyone can jump onto job boards or other sites to complain about how terrible it is to work at their former companies.

In fact, a 2020 study reported by Inc. showed that 10 percent of former employees lie when writing company reviews on Glassdoor, Google, Indeed, and Facebook.<sup>1</sup> Of course, employees can lie about their salaries as well.

You might think that aggrieved employees would underreport salaries. But studies show that satisfied employees are just as likely to overreport salaries. Because free salary data is often self-reported, HR practitioners simply can't verify its accuracy.

**Lack of Clarity for Matching:** Job titles and responsibilities can vary significantly across organizations. But free data sources often treat them as equivalent. Unlike more reliable HR-reported data, you miss many compensable factors that go into job pricing.

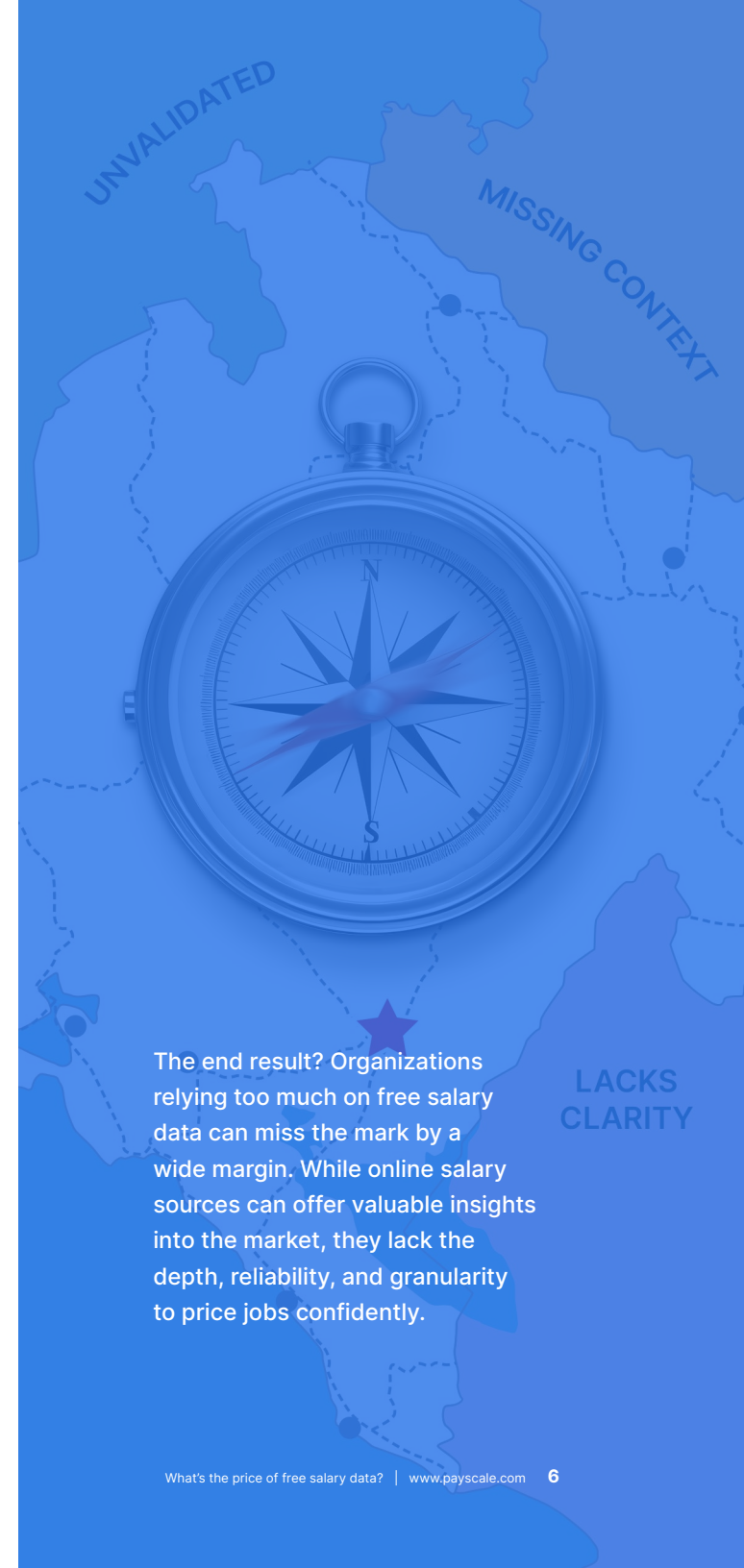
Let's say you're searching for the median salary of a Senior Software Engineer. Online sources will often lump together front-end developers with full-stack engineers and even specialist roles and spit out an industry average.

Lacking critical information about the job level, scope of responsibility, experience, and niche skills can distort market pricings.

**Missing Context:** Free salary data may not account for important variables such as industry, company size, and geography.

For example, a Quantitative Researcher at a hedge fund will earn much more than the same position at a university. Yet free salary sources often flatten these differences, producing a misleading average.

<sup>1</sup> Schwantes, Marcel. "New Study Reveals 10 Percent of Former Employees Lie When Writing Reviews on Glassdoor, Google, Indeed, and Facebook." Inc., March 21, 2020.



The end result? Organizations relying too much on free salary data can miss the mark by a wide margin. While online salary sources can offer valuable insights into the market, they lack the depth, reliability, and granularity to price jobs confidently.





🔍 salary search

## HR-reported job pricings for every budget

Do you need accurate job pricings for a handful of positions? You can do a lot better than Indeed or Glassdoor.

Our free online pricing tool serves up three market pricings for the cost of your email address. This HR-sourced, employer-validated data source contains over 5,400 organizations and 9 million employee salaries.

Additionally, with Payscale Verse, we provide instant and reliable market pricings for any job, anytime, anywhere. Don't worry Freeport, Texas — we have you covered.

But what if you need to price more than three jobs? Well, do we have some good news for you. If you try our free pricing tool and like it (you'll like it), you can soon buy more job pricings for a small fee. Job pricings à la carte! This is a fantastic option for organizations facing budgetary constraints.

For larger organizations with the wallet to purchase salary surveys, don't think we forgot about you. Let's be frank: there are better ways to validate pricings than Googling them.

[Start pricing jobs today →](#)

## Look, we get it.

As the number of states and municipalities with pay transparency laws grows every day, it's tempting to turn to Indeed. In fact, we're even exploring what job posting data could look like in our products.

But we also know better than to rush to market with half-baked job posting data, as it can be a slippery slope to distorted pricings and unreliable market insights. Instead, we chose to rely on AI innovations in our data sets first, offering you the most targeted pricing and calculated cuts.

Because when it comes to your benchmarks, precision matters. Relying on free online data for benchmarking is the same as using a weather app without GPS. You're packing for a trip with only a general idea of the climate — not your exact destination.

Your luggage is loaded with Hawaiian shirts, but a storm is coming. The same holds for free salary data. Without verified, industry-specific, and location-adjusted market pricings, you risk underpaying employees and losing talent or overpaying them and mismanaging your budget. You don't know if you need an umbrella or a sun hat.

Making decisions based on incomplete or misleading pay data can backfire in a big way. You might be caught in a downpour with only a tank top for protection.

Ready for any forecast? →





## Additional resources

Enjoy these insights from our compensation experts.



### Webinar:

[Getting the right data mix to market price your jobs](#)



### Whitepaper:

[How to benchmark jobs using salary data](#)



### Ebook:

[Best Practices 2025: Salary data and market pricing](#)

Get a demo



## About Payscale

As the industry leader in compensation management, Payscale is on a mission to help job seekers, employees, and businesses make sustainable fair pay a reality. Empowering 65% of the Fortune 500, Payscale provides a combination of diverse and dynamic data sources, experienced compensation services, and scalable software to enable organizations such as Panasonic, ZoomInfo, Chipotle, AccentCare, University of Washington, American Airlines, and PetSmart to make fair and appropriate pay decisions.

**Pay is powerful.**

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