Employer Associations of America

The National Network for Local Workplace Solutions

Economic Trends Survey

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2012

MidAtlantic Employers' Association

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2012 Economic Trends Survey

An Employer Associations of America (EAA) Sponsored Survey coordinated by SalaryTrends®/Cascade Employers Association in cooperation with 17 associations nationwide.

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Confidential Survey Report

This survey is provided with the understanding that the information will:

- Remain strictly confidential
- Be restricted to authorized personnel only
- Not used in collective bargaining or grievance proceedings
- Protect, completely, organizational identity

National surveys produced by the EAA include:

- National Economic Trends Survey
- National Executive Compensation Survey
- National IT & Engineering Compensation Survey
- National Policies & Benefits Survey
- National Salary Budget Survey
- National Sales Compensation & Practices Survey
- National Wage & Salary Survey

Employer Associations of America
The National Network for Local Workplace Solutions

Contact your local Association (next page) for more information.

Co-Sponsoring Employer Associations

This survey was made possible by the collaborative efforts of Employer Associations throughout the nation. We want to graciously thank all of these associations for their efforts in attracting participants and helping to make the 2012 Economic Trends Survey a great success.

Midwest Region:

AAIM Employers' Association – MO
American Society of Employers – MI
Employers Association of West Michigan – MI
Employers Resource Association – OH
Management Association – IL
MRA - The Management Association – IL
The Employers Association – MI
Trusight – MN

Southern Region:

The Employers Association – NC

Northeast Region:

Employers Association of the Northeast – MA
Mid-Atlantic Employers' Association – PA
Northeast PA Manufacturers & Employers Association – PA
The Employers Association – RI

Western Region:

Cascade Employers Association – OR
Nevada Association of Employers – NV
The Employers Council – UT
United Employers Association – OR
Washington Employers-Seattle – WA

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Introduction

Report Overview

In our turbulent economy, employers are faced with the challenge daily regarding how to move forward with their businesses. The 2012 Economic Trends Survey provides detailed information regarding how executives are planning to respond in 2012. Trends can be identified in this report concerning:

- Business Outlook
- Business Investment Plans
- Staffing Levels
- Hiring Plans
- Job Creation Barriers
- Pay Strategies
- Cost Cutting Measures

Survey Report Formats

The 2012 Economic Trends Survey report is divided into three sections; National Survey Detail Reports, Regional Survey Detail Reports, and State Survey Detail Reports. Each section contains a "Significant Trends" Analysis and Survey Response Summaries.

Participant Demographics

The 2012 Economic Trends Survey includes 1,890 distinct participating organizations with responses covering nearly 4,200 locations spread out over all 50 states plus Washington D.C. Many survey participants indicated they have business operations in multiple states. Therefore, to avoid excess weight by some organizations, no organizations are represented more than once in the National Survey Detail Reports, Regional Survey Detail Reports, and the State Survey Detail Reports. Based on this reporting criteria, following are the participant demographic breakdowns applicable to the National, Regional and State reports.

Cautionary Note

In states where there were less than 10 responses, State Reports have not been included because the number of responses is not sufficient to assure reasonably valid statistics. In addition, despite minimum response rates, the data in some instances is limited. Users should therefore view such responses with discretion. The data may not be representative of overall market trends. Also, because some questions allow multiple responses, some percentages may add up to more than 100%.

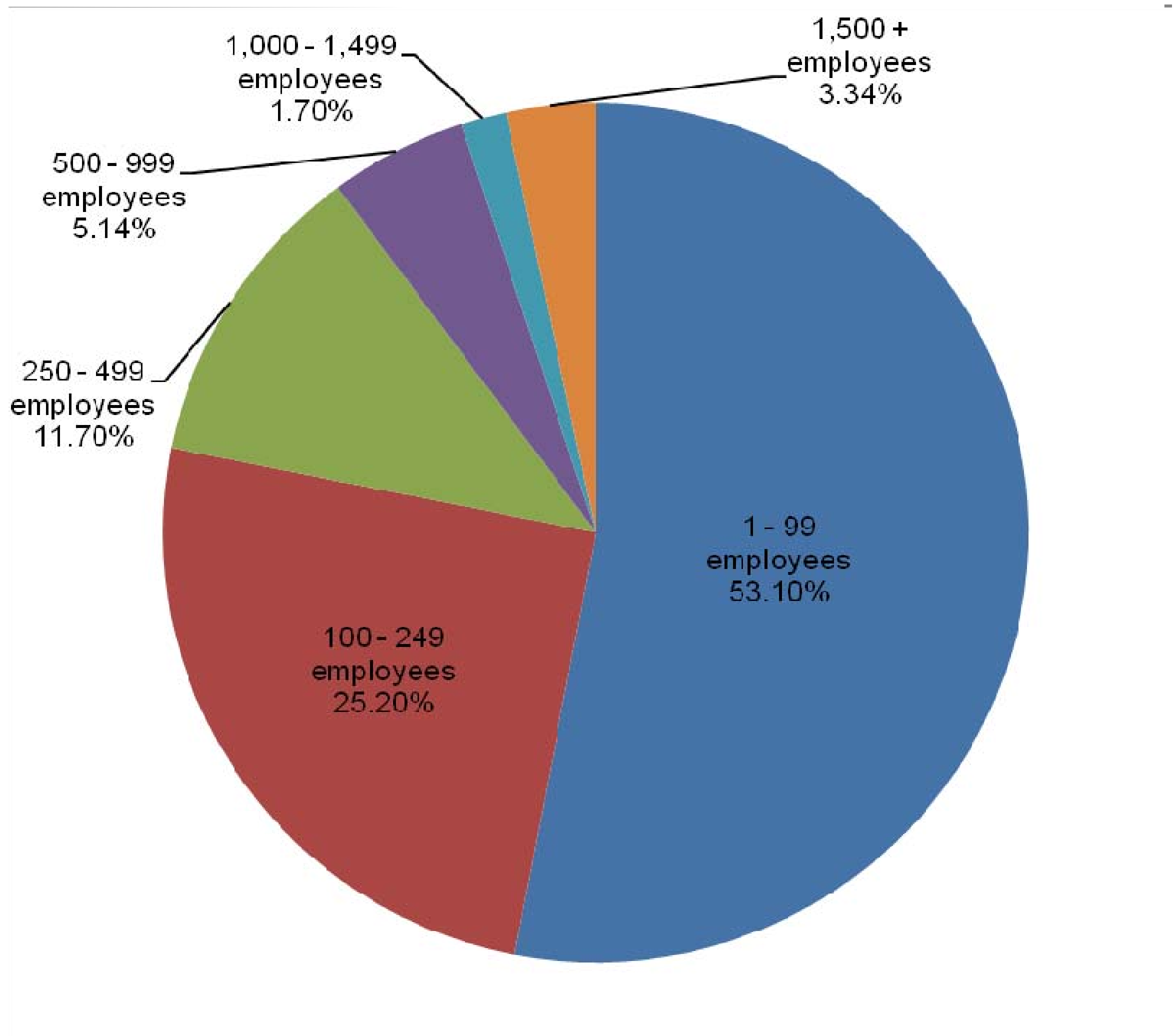
Participant Demographics - National Report

The following demographics represent all participants nationally.

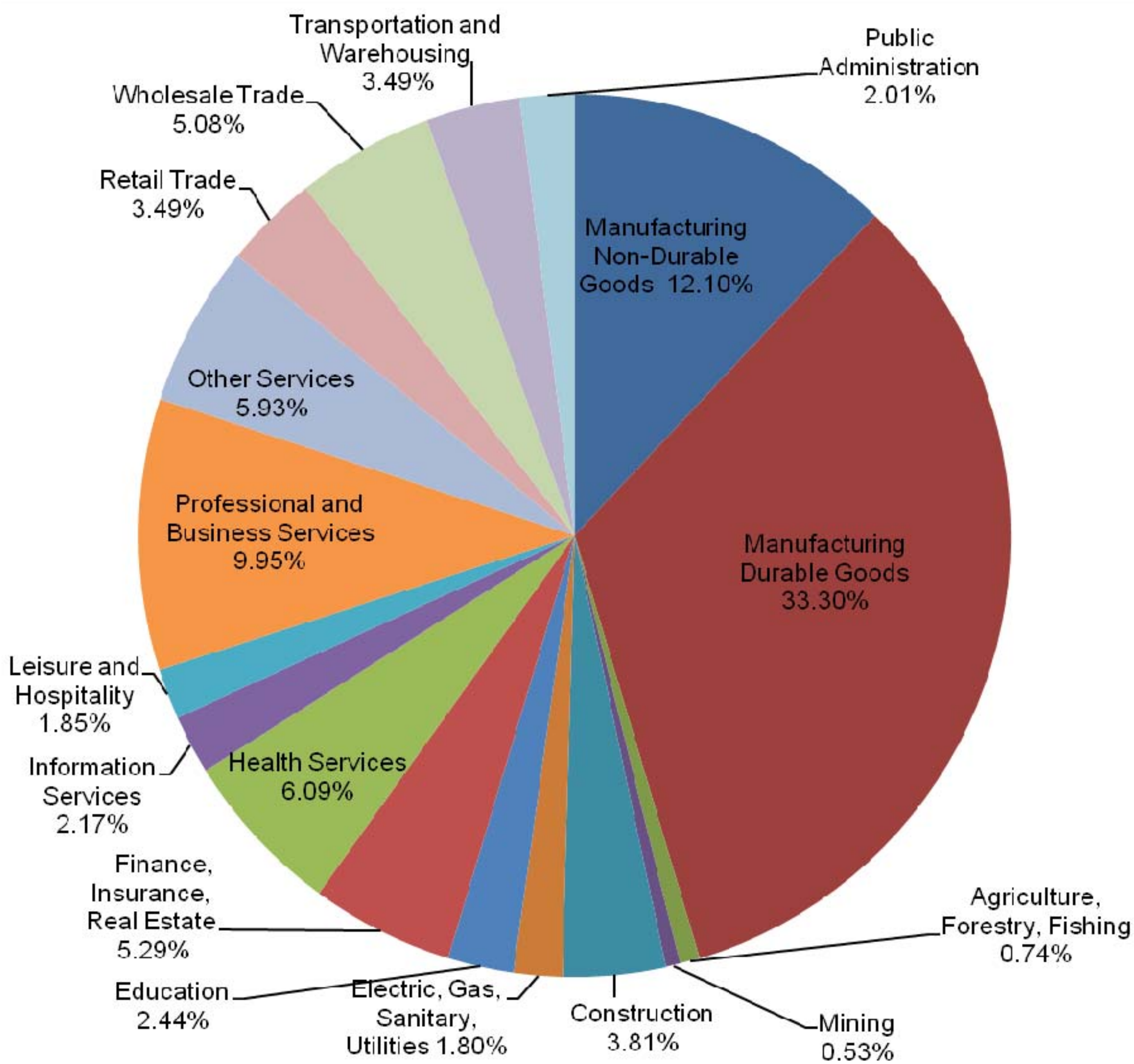
Company Size	# of Responses	% of Responses
1 - 99 employees:	1002	53.10%
100 - 249 employees:	475	25.20%
250 - 499 employees:	220	11.70%
500 - 999 employees:	97	5.14%
1,000 - 1,499 employees:	32	1.70%
1,500 + employees:	63	3.34%

Industry	# of Responses	% of Responses
Manufacturing: Non-Durable Goods (goods to be consumed in less than 3 years):	228	12.10%
Manufacturing: Durable Goods (useful life of 3 years or more):	628	33.30%
Agriculture, Forestry, Fishing:	14	0.74%
Mining:	10	0.53%
Construction:	72	3.81%
Electric, Gas, Sanitary, and other Utilities:	34	1.80%
Education:	46	2.44%
Finance, Insurance, & Real Estate:	100	5.29%
Health Services:	115	6.09%
Information Services:	41	2.17%
Leisure and Hospitality:	35	1.85%
Professional and Business Services:	188	9.95%
Other Services:	112	5.93%
Retail Trade:	66	3.49%
Wholesale Trade:	96	5.08%
Transportation and Warehousing:	66	3.49%
Public Administration:	38	2.01%

National Participant Distribution by Company Size



National Participant Distribution by Industry



SECTION ONE:

National Report

Significant Trends Analysis – National Report

The survey highlights below are based on the National Survey Detail Reports *(beginning on following page)*. While our analyses suggests “optimism” on the part of most top executives for 2012, you may arrive at different conclusions following your review of the reports.

Notes:

a)The largest industry group represented by this survey is manufacturing (45 %), b) 90% of the survey responses are from organizations with less than 500 employees, c) 51% of the responses are from four Midwest Region Region states (Refer to pages 5 – 9) and d) All percentages on this page have been rounded to the nearest 1%.

1) 90% of the executives surveyed expect the outlook for the overall 2012 economy to be about the same or better compared to 201l. 87% of the executives reported that 2011 was about the same or better when compared to 2010. A slight improvement.
2) When describing their business outlook for 2012, 67% of the executives say they are expecting slight to significant increases in sales/revenue. 63% of the executives reported that 2011 sales/revenue was about the same or better compared to 2010.
3) When it comes to investments in people facilities or equipment in 2012, 51% say they will not be making any significant investments, the remaining organizations say they will be making significant investments in home office, domestic, and/or international operations.
4) Whereas 36% of the executives surveyed plan to increase staff in 2012 (mostly during the first half of the year), 48% of the respondents plan to maintain 2011 staffing levels during 2012.
5) 66% of the respondents report plans to award wage/salary increases in 2012, and 33% plan to award variable/bonus awards during the year.
6) Only 12% of the executives surveyed indicated plans to freeze or reduce wages/salaries in 2012, which is down sharply compared to the 22% who either froze or reduced wages/salaries in 2011.
7) As executives continue to manage their organizations through the uncertain economy, 52% have plans to trim costs by focusing mainly on lean/process improvement initiatives during 2012 (up from 47% in 2011).
8) When executives were asked what is the greatest barrier to job creation, the majority, 59%, said it is concerns about further economic decline. The next greatest response group, 16%, said the biggest barrier is limited consumer demand.

National Detail Report

1. I feel the overall <u>2011</u> economy has been:	# of Responses	% of Responses
Better than in 2010:	703	37.20%
About the same as in 2010:	943	49.90%
Worse than in 2010:	243	12.90%

2. I feel the overall <u>2012</u> economy will be:	# of Responses	% of Responses
Better than in 2011:	605	32.00%
About the same as in 2011:	1089	57.70%
Worse than in 2011:	195	10.30%

3. What phrase best describes your organization's business results for <u>2011</u> compared to 2010?	# of Responses	% of Responses
Significant increase in sales / revenue:	348	18.40%
Slight increase in sales / revenue:	837	44.30%
Flat sales / revenue:	366	19.40%
Slight decrease in sales / revenue:	248	13.10%
Significant decrease in sales / revenue:	90	4.77%

4. What phrase best describes your organization's projected business outlook for <u>2012</u> compared to 2011?	# of Responses	% of Responses
Significant increase in sales / revenue:	265	14.00%
Slight increase in sales / revenue:	1004	53.20%
Flat sales / revenue:	429	22.70%
Slight decrease in sales / revenue:	153	8.10%
Significant decrease in sales / revenue:	38	2.01%

National Detail Report

5. Is your organization planning significant new investments in people, facilities, and/or equipment in 2012 to improve service, capacity and/or revenue?	# of Responses	% of Responses
Yes, in our home office location:	725	38.40%
Yes, in other domestic locations:	265	14.00%
Yes, in our international locations:	119	6.30%
No, investments are either insignificant or non-existent:	966	51.10%

6. What are your plans for staffing levels in 2012 compared to 2011?	# of Responses	% of Responses
Will be increasing staff level (includes recalling layoffs, hiring temps or contract workers, and / or hiring new employees):	672	35.60%
Will be maintaining staff level but not adding to our current staffing level:	901	47.70%
Will be reducing staff level:	117	6.19%
No plans at this time:	199	10.50%

7. What are your projections for when you plan to hire in 2012?	# of Responses	% of Responses
1st quarter:	610	32.40%
2nd quarter:	589	31.30%
3rd quarter:	376	20.00%
4th quarter:	226	12.00%
No plans to hire at this time:	924	49.00%

8. In your opinion, what is the greatest barrier to job creation in our nation today?	# of Responses	% of Responses
Excessive government regulations:	277	14.80%
High corporate tax rates:	68	3.64%
Limited consumer demand:	294	15.70%
Concerns about further economic decline:	1103	59.10%
Amount of government debt:	126	6.75%

National Detail Report

9. Which statement(s) describes your organization's actual 2011 wage/salary strategy?	# of Responses	% of Responses
Increased wages/salaries (Merit, General, COLA):	1319	70.10%
Paid lump sum awards:	192	10.20%
Paid variable/bonus awards:	614	32.60%
Froze wages/salaries:	385	20.50%
Reduced wage/salaries:	36	1.91%
Reduced hours worked:	38	2.02%

10. Which statement(s) describes your organization's projected 2012 wage/salary strategy?	# of Responses	% of Responses
Increase wages/salaries (Merit, General, COLA):	1237	65.70%
Paying lump sum award:	169	8.98%
Paying variable/bonus award:	612	32.50%
Freeze wages/salaries:	220	11.70%
Reduce wages/salaries:	14	0.74%
Reduce hours worked:	22	1.17%
Delaying decision / uncertain at this time:	270	14.30%

11. If wages/salaries were either FROZEN or REDUCED during 2011, do you plan to restore them before the end of 2012?	# of Responses	% of Responses
Yes, will completely restore for some employees:	63	4.23%
Yes, will partially restore for some employees:	85	5.71%
No, will remain at frozen or reduced levels for some employees:	170	11.40%
Did not freeze or reduce wages/salaries in 2011:	975	65.40%
Uncertain at this time:	201	13.50%

National Detail Report

12. Is your organization continuing or planning to implement any of the following in 2012?	# of Responses	% of Responses
Lean / process improvement initiatives:	959	51.70%
Company shutdown (above and beyond regularly scheduled shutdowns):	42	2.26%
Shift a larger percentage of health care costs to employees:	451	24.30%
Reduce paid time off benefits (vacations, personal days, etc.):	65	3.50%
Layoffs (permanent reduction in staff):	111	5.98%
No cost-cutting measures planned for 2012:	722	38.90%

Supplement:

MidAtlantic Employers' Association Detail Reports

MidAtlantic Employers' Association Detail Reports

Reporting Association	# of Responses	% of Responses
MidAtlantic Employers' Association (PA):	67	100.00%

Industry	# of Responses	% of Responses
Manufacturing: Non-Durable Goods (goods to be consumed in less than 3 years):	12	17.90%
Manufacturing: Durable Goods (useful life of 3 years or more):	21	31.40%
Agriculture, Forestry, Fishing:	1	1.49%
Mining:	0	0.00%
Construction:	4	5.97%
Electric, Gas, Sanitary, and other Utilities:	0	0.00%
Education:	0	0.00%
Finance, Insurance, & Real Estate:	3	4.48%
Health Services:	2	2.99%
Information Services:	1	1.49%
Leisure and Hospitality:	2	2.99%
Professional and Business Services:	9	13.40%
Other Services:	1	1.49%
Retail Trade:	1	1.49%
Wholesale Trade:	9	13.40%
Transportation and Warehousing:	1	1.49%
Public Administration:	0	0.00%

Company Size	# of Responses	% of Responses
1 - 99 employees:	42	62.70%
100 - 249 employees:	15	22.40%
250 - 499 employees:	5	7.46%
500 - 999 employees:	3	4.48%
1,000 - 1,499 employees:	1	1.49%
1,500 + employees:	1	1.49%

MidAtlantic Employers' Association Detail Reports

1. I feel the overall 2011 economy has been:	# of Responses	% of Responses
Better than in 2010:	25	37.30%
About the same as in 2010:	31	46.30%
Worse than in 2010:	11	16.40%

2. I feel the overall 2012 economy will be:	# of Responses	% of Responses
Better than in 2011:	14	20.90%
About the same as in 2011:	46	68.70%
Worse than in 2011:	7	10.50%

3. What phrase best describes your organization's business results for 2011 compared to 2010?	# of Responses	% of Responses
Significant increase in sales / revenue:	15	22.40%
Slight increase in sales / revenue:	28	41.80%
Flat sales / revenue:	11	16.40%
Slight decrease in sales / revenue:	8	12.00%
Significant decrease in sales / revenue:	5	7.46%

4. What phrase best describes your organization's projected business outlook for 2012 compared to 2011?	# of Responses	% of Responses
Significant increase in sales / revenue:	11	16.40%
Slight increase in sales / revenue:	36	53.70%
Flat sales / revenue:	14	20.90%
Slight decrease in sales / revenue:	5	7.46%
Significant decrease in sales / revenue:	1	1.49%

MidAtlantic Employers' Association Detail Reports

5. Is your organization planning significant new investments in people, facilities, and/or equipment in 2012 to improve service, capacity and/or revenue?	# of Responses	% of Responses
Yes, in our home office location:	27	40.30%
Yes, in other domestic locations:	10	14.90%
Yes, in our international locations:	4	5.97%
No, investments are either insignificant or non-existent:	32	47.80%

6. What are your plans for staffing levels in 2012 compared to 2011?	# of Responses	% of Responses
Will be increasing staff level (includes recalling layoffs, hiring temps or contract workers, and / or hiring new employees):	22	32.80%
Will be maintaining staff level but not adding to our current staffing level:	32	47.80%
Will be reducing staff level:	5	7.46%
No plans at this time:	8	12.00%

7. What are your projections for when you plan to hire in 2012?	# of Responses	% of Responses
1st quarter:	19	28.40%
2nd quarter:	21	31.40%
3rd quarter:	8	12.00%
4th quarter:	7	10.50%
No plans to hire at this time:	37	55.20%

8. In your opinion, what is the greatest barrier to job creation in our nation today?	# of Responses	% of Responses
Excessive government regulations:	11	16.40%
High corporate tax rates:	3	4.48%
Limited consumer demand:	8	12.00%
Concerns about further economic decline:	43	64.20%
Amount of government debt:	2	2.99%

MidAtlantic Employers' Association Detail Reports

9. Which statement(s) describes your organization's actual 2011 wage/salary strategy?	# of Responses	% of Responses
Increased wages/salaries (Merit, General, COLA):	44	65.70%
Paid lump sum awards:	7	10.50%
Paid variable/bonus awards:	24	35.80%
Froze wages/salaries:	14	20.90%
Reduced wage/salaries:	2	2.99%
Reduced hours worked:	2	2.99%

10. Which statement(s) describes your organization's projected 2012 wage/salary strategy?	# of Responses	% of Responses
Increase wages/salaries (Merit, General, COLA):	39	59.10%
Paying lump sum award:	5	7.58%
Paying variable/bonus award:	29	43.90%
Freeze wages/salaries:	5	7.58%
Reduce wages/salaries:	1	1.52%
Reduce hours worked:	1	1.52%
Delaying decision / uncertain at this time:	10	15.20%

11. If wages/salaries were either FROZEN or REDUCED during 2011, do you plan to restore them before the end of 2012?	# of Responses	% of Responses
Yes, will completely restore for some employees:	0	0.00%
Yes, will partially restore for some employees:	6	12.30%
No, will remain at frozen or reduced levels for some employees:	5	10.20%
Did not freeze or reduce wages/salaries in 2011:	30	61.20%
Uncertain at this time:	8	16.30%

MidAtlantic Employers' Association Detail Reports

12. Is your organization continuing or planning to implement any of the following in 2012?	# of Responses	% of Responses
Lean / process improvement initiatives:	37	55.20%
Company shutdown (above and beyond regularly scheduled shutdowns):	2	2.99%
Shift a larger percentage of health care costs to employees:	21	31.40%
Reduce paid time off benefits (vacations, personal days, etc.):	1	1.49%
Layoffs (permanent reduction in staff):	3	4.48%
No cost-cutting measures planned for 2012:	23	34.30%