



Majority of Americans Not Getting Salary Increases

Older workers most likely to report stagnant income

NEW YORK – November 14, 2017 – More than half (52%) of American workers did not receive a salary increase in the past 12 months, according to a new Bankrate.com report. The percentage is even higher for older workers; about two-thirds (64%) of those ages 53 years and up did not see a recent wage increase via pay raise or a new job, compared to 47% of those who are younger. Click here for more information:

<http://www.bankrate.com/banking/savings/financial-security-1117/>

In all, 38% of workers received a pay raise at their current job in the past year and 18% got a better paying job. This includes 8% who got both a raise and a better paying job during that time. The underwhelming statistics coincide with the Labor Department's latest employment report stating average hourly earnings are up just 2.4% over the last 12 months.

Among the minority of workers that enjoyed a recent pay raise from their present employer, an increasing number came from promotions and new job responsibilities (24% this year vs. 10% last year). That number is driven by millennials, ages 18-36 (36%), who are nearly twice as likely as Gen Xers, ages 37-52 (20%), to have gotten a pay bump for this reason, and six times more likely than Baby Boomers (ages 53-71).

There were fewer cost-of-living increases this year (27%) than last year (30%); Baby Boomers who recently received raises are the most likely to indicate this as the reason (47%). Performance-based pay increases accounted for 37% of raises, but that is also down from last year (52%). Meanwhile, 8% cite another reason and 4% don't know how they received their pay increase.

The likelihood of receiving a pay raise from a current employer rises steadily with income and education level.

“While the economy continues to improve, it's disappointing that Americans' wages have not,” said Bankrate.com chief financial analyst, Greg McBride, CFA. “Though younger workers are experiencing career advancement, older Americans are hampered by stagnant incomes. This makes it even more vital to start saving early, since significant wage gains become less frequent as you get older.”

The Bankrate.com Financial Security Index jumped to the third highest level on record this month: 105.9. This trails only the 106.7 in June 2017 and 106.5 in March 2017 as the best readings since polling began in Dec. 2010.

Only comfort level with savings is not indicative of improvement from one year ago, with the 27% saying they're less comfortable outnumbering the 23% that are more comfortable. Americans note increasing levels of job security, increased comfort level with debt, higher net worth and a better overall financial situation than one year ago.

This study was conducted for Bankrate via landline and cell phone by SSRS on its Omnibus survey platform. Interviews were conducted from November 1 - 5, 2017 among a sample of 1,009 respondents. The margin of error for total respondents is +/- 3.71% at the 95% confidence level. SSRS Omnibus is a national, weekly, dual-frame bilingual telephone survey. All SSRS Omnibus data are weighted to represent the target population.

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