



Q4 2014 Employment Confidence Survey

Overview

The Glassdoor® quarterly Employment Confidence Survey¹, conducted online by Harris Poll in December among more than 2,000 U.S. adults (ages 18+), monitors four key indicators of employee confidence: job market optimism/re-hire probability, job security, salary expectations and business outlook optimism. For purposes of reporting, employees refers to those employed full- or part-time unless otherwise indicated. In addition to the key indicators Glassdoor measures each quarter, this quarter's survey also reveals employee expectations around pay raises in the new year and the impact it will have on new job searches, as well as employee sentiment on pay inequalities between men and women.

Employment Confidence Highlights - Q4 2014

Indicator	Q4.14	% Change
Layoff concerns — self	13%	↓ 2
Layoff concerns — others	23%	↑ 1
Salary expectations — pay increase in 12 months	43%	↓ 1
Company outlook — better	43%	↑ 4
Re-hire probability (employed)	48%	↑ 1

Highlights

Employee Expectations Around Pay Raises & Pay Inequality

• Employee Expectations for a Pay Raise:

- Half (49 percent) of employees who expect a pay raise in the next 12 months expect it to be between 3 to 5 percent.
- Half (52 percent) of men expect to earn a 3 to 5 percent pay raise, while slightly less women expect this amount (45 percent).
- Twenty-nine percent of employees expect a 1 to 2 percent pay raise.
- Twelve percent expect a 6 to 10 percent pay raise.
- Four percent of employees expect their next pay raise to be between 50 to 100 percent.

• How Pay Raise/Cost of Living Increase Impacts Employees' Job Search in 2015:

- Thirty-five percent of employees report they will look for a new job if they do not receive a pay raise in the next 12 months.
- This is higher among younger employees aged 18-34 (48 percent) when compared to those aged 35-44 (36 percent), 45-54 (28 percent) and 55-64 (20 percent).
- More than two in five (44 percent) employees with a total household income of less than \$50,000 report they will look for a new job if they do not receive a pay raise in the next year, compared to employees with a household income between \$50,000-\$74,999 (33 percent), \$75,000-\$99,999 (27 percent), and \$100K+ (31 percent).

• Employees' Perspective on Pay Inequality:

- More than three in five employees (62 percent) do not believe men and women are paid equally
- A stronger majority of women (75 percent) do not believe men and women are paid equally. This is compared to just half (50 percent) of men.

Employer Actions During The Past Six Months

- Thirty-four percent of employees reported their company made changes to the number of staff, organizational structure, compensation and benefits, or other listed activities in the past six months, down 6 percentage points since last quarter.
- Of employees surveyed who reported a *positive change* at their organization:
 - Sixty-five percent say they were awarded new perks (option to work remotely, casual dress, flexible work hours) or new stock, up 16 percentage points since last quarter and up 4 points since last year (Q4 2013).
 - Twenty-seven percent say their organization has initiated large-scale hiring, down 7 percentage points since last quarter.
 - More than one in five (23 percent) say they were awarded new stock or compensation, up 4 percentage points from last quarter and up 8 percentage points since last year (Q4 2013).
 - One in four (26 percent) report that health and dental benefits, pay and perks that had previously been cut have been restored, down 3 percentage points since last quarter.
- Among employees who reported *negative changes* at their organization:
 - Half (52 percent) say they experienced cutbacks or reduced compensation, down 2 percentage points since last quarter.
 - Thirty-six percent report employees being laid off or plans communicated to lay off employees, down 3 percentage points since last quarter and matching the lowest level (in Q2 2014) in six years.
 - Twenty-seven percent say they saw a reduction in their individual pay or bonus amount, or were not paid a bonus for which they were eligible, down 6 percentage points since last quarter.

In The Past 6 Months, What Additions Has Your Organization Made?

(Base: Employees who say their company has changed something positive in the past 6 months.)

	Q1.13 %	Q2.13 %	Q3.13 %	Q4.13 %	Q1.14 %	Q2.14 %	Q3.14 %	Q4.14 %
Awarded new perks (option to work remotely, casual dress, flexible work hours)/new stock	56	47	76	61	76	67	49	65
Awarded new stock or other compensation	24	21	19	15	31	28	19	23
Initiated large scale hiring	21	33	18	21	24	31	34	27
Restored health and dental benefits, pay and perks previously cut	37	40	30	42	18	42	29	26

In The Past 6 Months, What Negative Changes Has Your Organization Done?

(Base: Employees who say their company has changed something negative in the past 6 months.)

	Q1.13 %	Q2.13 %	Q3.13 %	Q4.13 %	Q1.14 %	Q2.14 %	Q3.14 %	Q4.14 %
Made changes or reduced compensation (net)	51	47	56	46	53	52	54	52
Reduced individual's pay/bonus amount/ didn't pay bonus	22	28	32	25	25	30	33	27
Initiated or communicated bonus reductions or eliminations	9	8	13	8	11	3	9	8
Laid off employees and/or communicated plans to lay off employees	39	47	40	39	42	36	39	36
Reduced health and/or dental benefits	20	20	18	20	23	16	23	23
Initiated or communicated hiring freezes	17	21	22	24	17	14	18	12
Restructured job/created redundancy	16	15	15	18	22	15	7	15
Initiated furloughs, unpaid leave, mandatory vacation	18	20	12	13	16	12	14	11

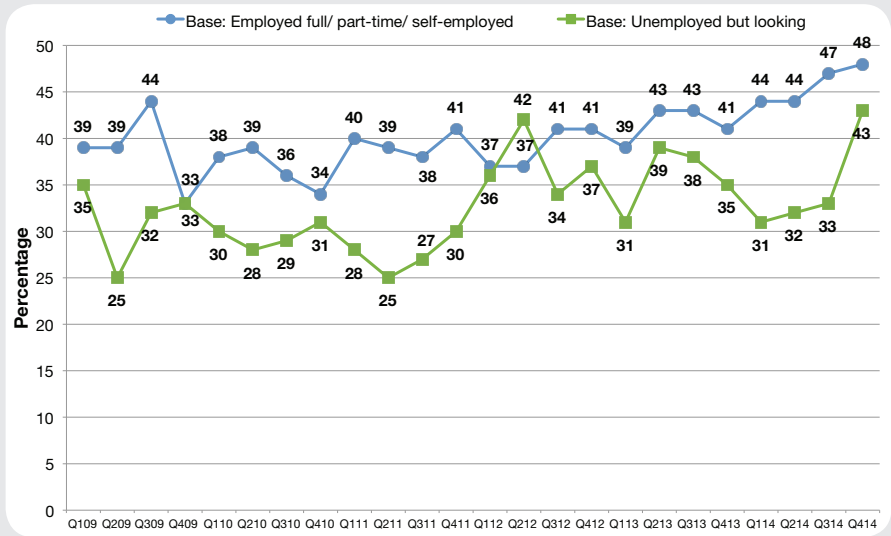
Job Market: Re-Hire Probability In The Next Six Months

- Half (48 percent) of employees (including those self-employed) report confidence that they would be able to find a job matched to their experience and current compensation levels in the next six months, a new high in six years since this survey question was first asked in Q1 2009 (39 percent), and up 1 percentage point since last quarter. One in four (26 percent) are uncertain and another one in four (26 percent) think it is unlikely they could find a job that matched their experience and current compensation levels in the next six months.

- Of those unemployed but looking, rehire confidence increased 10 percentage points to 43 percent from last quarter and is at a new six-year high.

- Younger employees (including those self-employed) (18-34 years old) are significantly more optimistic in their ability to find a job in the next six months that matches their experience and current compensation (60 percent; down 2 percentage points since last quarter), when compared to employees within other age groups: 43 percent for 35-44 years old (down 3 percentage points since last quarter), 43 percent for 45-54 years old (up 4 percentage points since last quarter), 33 percent for 55-64 years old (down 5 percentage points since last quarter), 46 percent for 65+ years old (up 23 percentage points since last quarter).

Re-Hire Probability: Question: Ability to find job matched to experience and compensation level in next 6 months Answer: Very likely (or) somewhat likely



Job Security In The Next Six Months

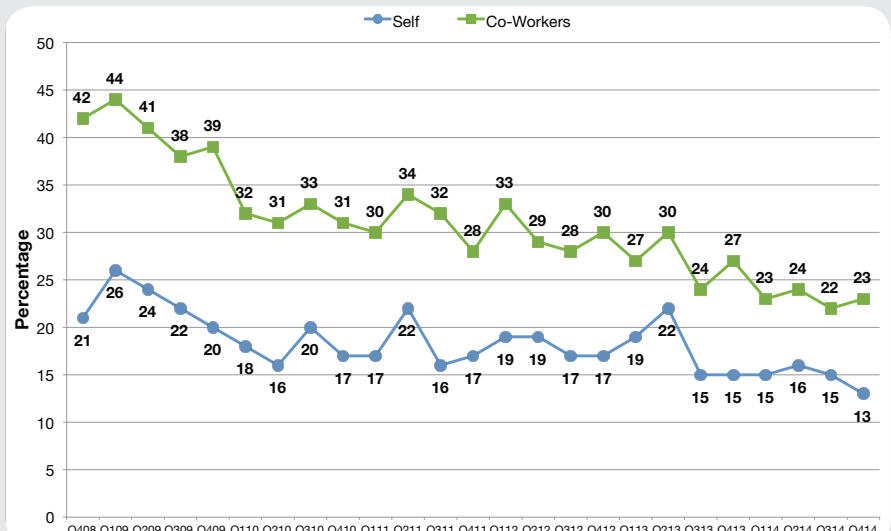
- Thirteen percent of employees report concern of being laid off in the next six months, down 2 percentage points from last quarter, and at a six year low since the question was first asked in Q4 2008 (21 percent). This compares to 26 percent reporting concerns of being laid off at the height of the recession in Q1 2009.

- Employees concerned about co-workers being laid off in the next six months (23 percent) is up 1 percentage point since last quarter.

- Men (15 percent) are slightly more likely to be concerned about being laid off in the next six months than women (10 percent).

- Employees in the South are more concerned about being laid off in the next six months (18 percent) than employees in the Midwest and West (9 percent each).

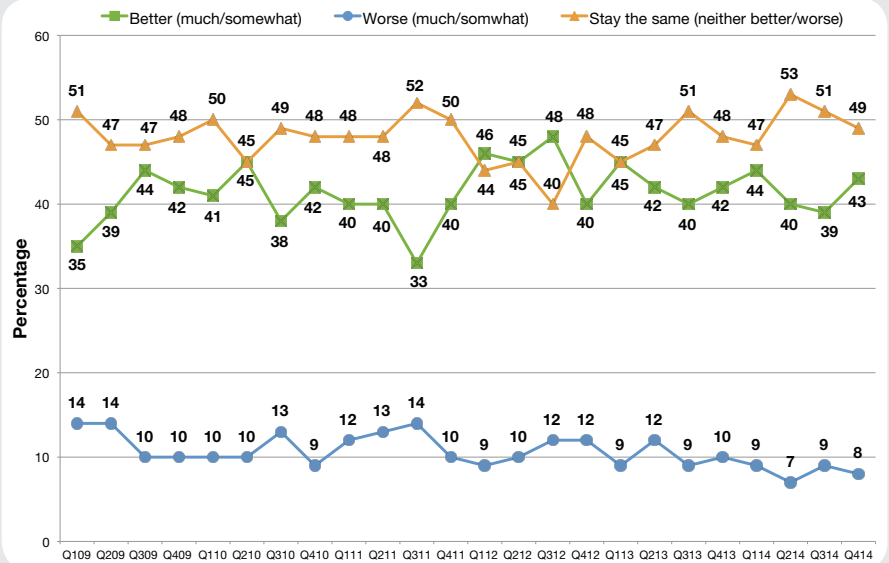
Employees Concerned About Layoffs in Next 6 Months (Base: Employed full/part-time)



Business Outlook In The Next Six Months

- More than two in five (43 percent) employees (including those self-employed) believe their company's business outlook will improve in the next six months, up 4 percentage points since last quarter. Half (49 percent) believe it will stay the same, down 2 percentage points since last quarter. Eight percent believe it will get worse, down 1 percentage point since last quarter.
- Men are more optimistic (48 percent) that business will get better in the next six months when compared to women (39 percent).
- Employees aged 45-54 are least optimistic that their company's business will get better in the next six months (34 percent) compared to other age groups: 18-34 years old (56 percent), 35-44 years old (37 percent), 55-64 years old (40 percent), 65+ (40 percent).

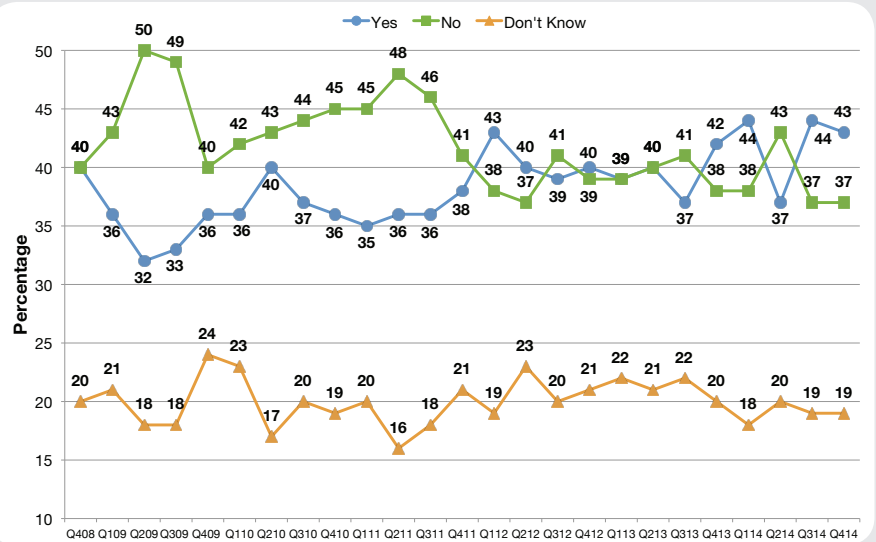
Business Outlook: Next 6 Months (Base: Employed full/part-time; self-employed)



Salary Expectations In The Next 12 Months

- Forty-three percent of employees expect to receive a pay raise or cost-of-living increase in the next 12 months, down slightly from last quarter (44 percent). This is up 1 percentage point from last year (Q4 2013) and up 4 percentage points from two years ago (Q4 2012).
- Thirty-seven percent do not expect a pay raise, while nearly one in five (19 percent) don't know.
- Pay confidence is higher among those in the West (55 percent), compared to employees in the South and Northeast (37 percent each).
- Employees with a college degree are significantly more optimistic (50 percent) in receiving a pay raise, when compared to those a high school diploma or less education (37 percent).

Salary Expectation: Expect Pay or Cost-of-Living Increase in Next 12 Months (Base: Employed full/part-time)



Methodology

¹ This survey was conducted online within the United States by Harris Poll on behalf of Glassdoor from December 12-16, 2014 among 2,030 adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact pr@glassdoor.com.