

Point-in-Time Results: How are Companies Handling Executive Base Salaries?

AUTHOR

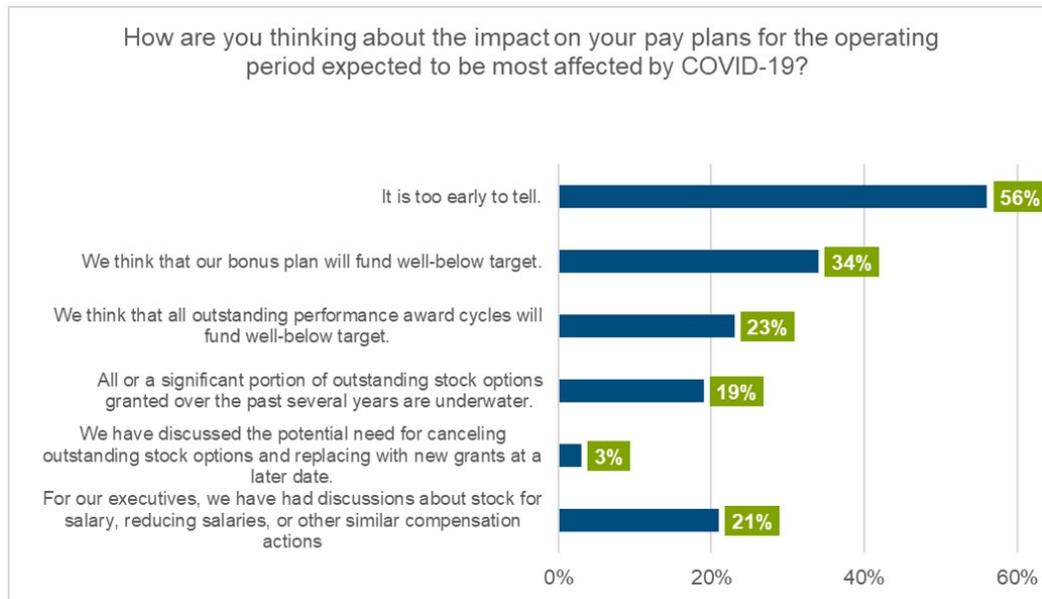


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In less than 24 hours since launching our latest Quick Poll on how companies are approaching impending executive salary adjustments in this unprecedented business environment, we have had more than 300 responses. Feedback is coming in from Fortune 500 companies, private organizations, and non-profits across all industries.

Given the high level of interest in the topic, here are some initial key findings:

- Slightly more than half of companies have already adjusted executive salaries in 2020.
- At those companies where executive salary adjustments are typically effective in April or May, more than 40% have implemented salary freezes (25%) or are strongly considering salary freezes (16%). Less than 5% of companies considered salary freezes but have elected not to and plan to make executive salary adjustments as scheduled.
- At those companies where executive salary adjustments are typically effective in June or later, one-third of companies have already implemented a salary freeze (9%) or are considering a salary freeze (24%). More than 60% of respondents indicate it is too early to know whether the typical executive salary adjustment process will be affected.
- Among executive pay actions under consideration for 2020, 21% of companies have discussed stock for salary, reducing salaries, or other similar compensation actions.



We will be publishing complete results and analysis on Monday, March 30.

About the Author

Brett Herand is a principal in the Chicago office of Pearl Meyer. Specializing in executive compensation, he works with boards and management on issues related to performance measurement and value creation, incentive plan design, and technical advisory work with respect to tax, accounting, and SEC regulatory issues.

About Pearl Meyer

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