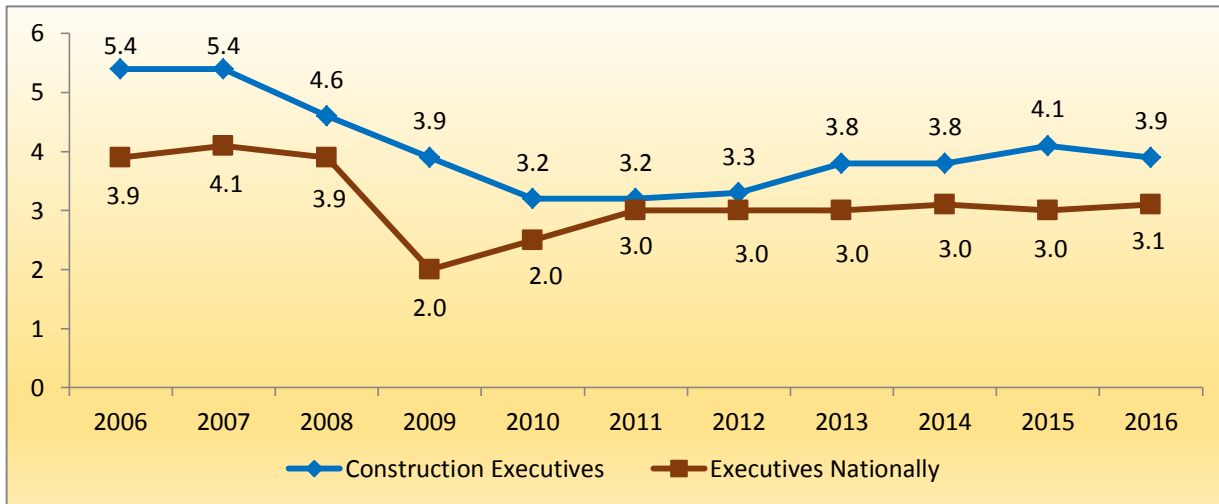


2016 Actual and 2017 Executive Pay Forecast

Pay increases seem to have leveled out this past year. The 2016 Executive actual increase came in at 3.9%. The projected 2017 executive increase is 3.7%, however, historically predictions are usually about .5% low, so year-end 2017 will most likely come in around 4.0% or better. For comparison, WorldatWork is projecting a 3.1% average increase for all executives in 2017.



Executive Pay

The following represents base salary national numbers regardless of company size, type of contractor, type of construction performed – all factors in determining a competitive market value. We would expect your pay to be either above or below these numbers based on your company’s demographic scheme.

Survey Position	25 th Percentile	Median	Average	75 th Percentile
Board Chairman	\$293,500	\$361,400	\$383,632	\$452,500
President	\$196,260	\$260,000	\$273,400	\$324,250
Executive Vice President	\$182,500	\$226,540	\$234,390	\$265,988
Senior Vice President	\$171,700	\$202,000	\$206,785	\$221,350
Vice President of Operations	\$131,156	\$157,850	\$163,585	\$183,650
Vice President of Estimating	\$125,750	\$147,000	\$149,955	\$173,000
VP of Business Development	\$126,128	\$148,250	\$156,343	\$181,250
VP of Preconstruction	\$143,708	\$163,140	\$161,419	\$177,580
VP /Chief Financial Officer	\$124,900	\$155,000	\$168,650	\$200,013
VP of Human Resources	\$117,830	\$148,950	\$152,779	\$178,920
General Counsel	\$184,290	\$227,840	\$231,964	\$254,000
Operations Manager	\$115,000	\$135,200	\$135,406	\$153,350
IT / MIS Director	\$94,700	\$128,200	\$126,509	\$145,774
Divisional Manager	\$103,324	\$128,348	\$127,824	\$150,000
Controller	\$88,150	\$105,000	\$106,896	\$120,470



Executive Pay (continued)

Focusing on the Presidents total direct compensation (base pay plus bonus) the differences between revenue sizes offers a good look at how company volume impacts compensation practices. In general terms, the larger the contractor, the higher the compensation.

Revenue Size	Average Total Compensation
Up to 5 Million	\$133,481
5 Million to 25 Million	\$262,826
25 Million to 100 Million	\$378,608
100 Million to 250 Million	\$518,072
Over 250 Million	\$793,204

Making more than these numbers? That’s ok. The combination of base salary and bonus of the top 3 highest paying companies in 2016 averaged \$2,899,000. Once again, we can’t stress enough the importance of examining pay using the various demographics to ensure yours and your employee’s compensation is competitive.

And “*now for something completely different*” (for you Monty Python fans)...

On January 2, 2017 we kicked off a new survey to capture heavy civil, highway, municipal (HHM), and related infrastructure construction pay rates – specifically, capture **non-mandated pay rates**.

This first attempt represented wage and benefit data on 46,129 craft personnel reported by over 350 open shop contractors. We sought to answer the question of “**what do you pay your people when not working on prevailing wage projects?**”

Unlike executive pay where revenue size is most relevant, for craft positions the most important demographics are location and type of construction. The table below represents national data, offering a broad brush look at the results, followed by a look at the pay differentials for “Excavator Operators” by type of construction.

Survey Position	25 th Percentile	Average	Median	75 th Percentile
Asphalt Paving Operator	\$18.18	\$21.12	\$20.00	\$24.67
Asphalt Plant Operator	\$18.64	\$23.21	\$23.00	\$29.42
Asphalt Raker / Lute Person	\$15.18	\$16.58	\$16.03	\$18.10
Asphalt Screed Operator	\$16.00	\$19.76	\$19.05	\$23.90
Backhoe Operator	\$18.00	\$20.92	\$20.09	\$23.97
Broom / Sweeper Operator	\$14.50	\$17.64	\$19.59	\$21.20
Concrete Batch Plant Operator	\$22.48	\$23.64	\$23.50	\$25.73
Concrete Finisher	\$18.30	\$20.90	\$20.67	\$22.85
Concrete Finisher - Machine	\$19.99	\$25.48	\$25.53	\$34.55
Concrete Paver Operator	\$22.50	\$23.73	\$22.93	\$24.42



Heavy Civil, Highway, Municipal Non-Mandated Pay Rates (continued)

Survey Position	25 th Percentile	Average	Median	75 th Percentile
Concrete Spreader Operator	\$18.88	\$21.00	\$21.75	\$24.43
Curb Machine Operator	\$20.13	\$21.35	\$22.01	\$23.00
Dozer Operator - Finish	\$20.00	\$22.82	\$24.09	\$26.04
Dozer Operator - Rough	\$17.25	\$21.53	\$22.93	\$25.00
Driller	\$18.13	\$21.70	\$22.00	\$26.00
Excavator Operator	\$19.00	\$23.08	\$22.93	\$26.28
Flagger	\$13.89	\$15.67	\$15.65	\$17.93
Form Builder / Setter	\$17.58	\$19.08	\$19.07	\$21.19
Front End Loader Operator	\$17.48	\$20.26	\$19.75	\$23.17
GPS Technician	\$22.93	\$25.75	\$26.65	\$29.00
Laborer - Skilled	\$15.00	\$18.08	\$17.00	\$21.03
Laborer - Unskilled	\$12.66	\$15.10	\$14.72	\$16.50
Loader Operator - Plant	\$17.68	\$20.54	\$19.99	\$22.88
Mechanic - Heavy Equipment	\$19.68	\$23.26	\$23.97	\$26.14
Mechanic - Truck	\$16.50	\$20.11	\$20.00	\$24.00
Milling Machine Operator	\$17.50	\$20.75	\$20.64	\$24.36
Motor Grader Oper. - Finish	\$19.17	\$23.44	\$24.00	\$26.04
Motor Grader Oper. -Rough	\$19.35	\$23.10	\$22.00	\$24.00
Pipelayer	\$16.25	\$19.00	\$18.68	\$21.00
QC Tech - Plants	\$17.60	\$22.17	\$20.08	\$24.50
QC Tech - Job Site	\$19.09	\$22.56	\$22.50	\$26.33
Rodperson	\$17.75	\$19.85	\$20.68	\$22.68
Roller Operator - Asphalt	\$16.00	\$19.26	\$17.82	\$23.95
Roller Operator - Earth	\$15.50	\$18.46	\$18.00	\$21.20
Scraper Operator	\$20.38	\$22.18	\$22.94	\$24.00
Surveyor	\$22.74	\$29.78	\$32.18	\$35.12
Track Hoe Operator	\$18.32	\$22.59	\$22.36	\$26.07
Traffic Control Specialist	\$18.00	\$22.31	\$20.50	\$25.00
Trenching Machine Operator.	\$22.93	\$25.85	\$22.93	\$29.86
Truck Driver - Dump	\$16.52	\$18.90	\$18.80	\$20.83
Truck Driver - Fuel & Lube	\$17.30	\$20.01	\$20.00	\$22.25
Truck Driver - Lowboy	\$18.50	\$20.82	\$20.70	\$22.45
Truck Driver - Water	\$16.75	\$18.87	\$18.96	\$22.00



As previously noted, the two most important demographics in determining competitive craft wage rates are location and type of construction performed. The next table offers a look at the Excavator Operator position by type of construction. The “Highest Paid Excavator Rate” portion of the table reflects the answer to the question of “What is the highest rate paid in this craft at your company?”

Demographic	25 th Percentile	Average	Median	75 th Percentile
All Excavator Operators	\$19.00	\$23.08	\$22.93	\$26.28
Heavy Civil	\$20.00	\$23.96	\$23.34	\$27.17
Highway	\$19.00	\$22.91	\$22.93	\$26.07
Municipal	\$20.24	\$24.13	\$24.13	\$27.00
Commercial Development	\$18.00	\$22.06	\$22.93	\$25.00
Residential -Development	\$20.00	\$22.94	\$22.36	\$26.04
Bridge	\$19.74	\$23.48	\$22.93	\$26.04
Pipeline	\$17.00	\$20.87	\$20.56	\$25.00
Rock Scaling	***	\$21.36	***	***
Highest Paid Excavator Rate	\$22.75	\$27.15	\$27.12	\$30.83
Heavy Civil	\$24.00	\$28.51	\$29.00	\$32.14
Highway	\$22.00	\$27.06	\$26.50	\$31.71
Municipal	\$25.00	\$28.65	\$28.50	\$35.50
Commercial Development	\$22.00	\$26.56	\$25.54	\$32.14
Residential -Development	\$24.63	\$28.31	\$27.65	\$35.50
Bridge	\$23.99	\$27.47	\$28.75	\$29.75
Pipeline	\$19.50	\$25.63	\$25.73	\$34.00
Rock Scaling	***	\$26.00	***	***

*** insufficient data to be meaningful

The Final Word

Time for our annual reminder - The most objective way to prove that compensation is within the "normal" parameters of the industry is to use industry surveys. These surveys help define the industry standards which is precisely why participation is so important. For executive compensation, participating in industry surveys establishes the evidence needed to defend your pay practices in case of difficult events such as an IRS issue, divorce dispute, or a shareholder challenge.

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