



CONTACTS

Colleen Madden, Director of Public Relations
Office: 312-422-5074
Mobile: 314-807-1568
colleenmadden@challengergray.com

Blake Palder, Public Relations Associate
Office: 312-422-5156
blakepalder@challengergray.com

FOR IMMEDIATE RELEASE

Challenger Survey on Holiday Bonuses

MORE EMPLOYERS SKIP THE CASH BONUS

CHICAGO, November 29, 2017 – Higher corporate profits, low unemployment, and high economic confidence among employers is not translating to more cash-based year-end bonuses, according to a survey released Wednesday by global outplacement and executive coaching consultancy Challenger, Gray & Christmas, Inc.

In the survey, conducted among approximately 150 human resources executives in October and November, 39 percent indicated that their companies will be awarding a company or individual performance-based, cash bonus this year. That is down from 41 percent who said the same a year ago.

Meanwhile, 35 percent said there will be no year-end award of any type, up from 30 percent in 2016.

“Slightly more employers are willing to give a non-monetary gift, such as a vacation day or gift basket – 16 percent this year compared to 15 percent last year. It seems, though, that employers are less willing to spread the wealth with their workers despite the positive business environment,” said Andrew Challenger, vice president of Challenger, Gray & Christmas.

“These results are surprising, given the tight labor market. Year-end bonuses are a reliable way to attract and retain talent,” said Challenger.

The 2017 survey found 10 percent plan to give employees a small monetary award of \$100 or less.

Meanwhile, fewer employers plan to increase the amount awarded than they did last year. Only 8 percent of employers will increase the bonus amount compared to 18 percent who reported an increase last year. Eighty-percent of employers plan to give the same amount they did in 2016.

“Employers reported confidence in the economy, with 87 percent stating the economy was better or the same as last year, so this does not appear to be a “risk aversion” strategy. Employee recognition is becoming increasingly important if companies want to keep their workers,” Challenger said.

“Even though fewer employers are offering monetary bonuses, most employees still appreciate some sort of year-end gift. Workers want to know that their hard work is recognized and valued. Even a small gift - \$50 to a local restaurant or store or an extra paid vacation day – would go a long way,” said Challenger.

###

Does your company award year-end/holiday bonus, perks or gifts to employees? (Check all that apply)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Yes, we provide a non-monetary gift to all employees (such as gift basket or extra vacation day).	16.23%	14.80%	6.30%
Yes, we award a nominal (\$100 or less) monetary award to all employees (cash or gift certificate).	10.22%	11.10%	12.50%
We award a monetary bonus to all employees, the size of which is determined by the company's overall performance throughout the year.	18.41%	18.50%	18.80%
We award a performance-based year-end bonus to selected employees, the amount of which is determined by individual's contribution to departmental and/or company-wide objectives.	20.45%	22.20%	37.50%
No, we do not award any type of year-end/holiday monetary or non-monetary bonus/perk/gift.	34.69%	29.60%	43.80%
No, we have awarded year-end/holiday bonuses in the past, but we will not be doing so this year due to the economy.	0.00%	0.00%	0.00%
Other	0.00%	3.70%	6.30%

If your company does award year-end/holiday bonus, perks or gifts to employees, please describe how this year's distribution differs from last year.

	<u>2017</u>	<u>2016</u>
The monetary value of the year-end bonus will increase.	8.20%	18.20%
The monetary value of the year-end bonus will decrease.	7.80%	9.10%
The monetary value of the year-end bonus will be about the same as last year.	80.00%	72.70%
We are reinstating year-end bonus/perk/gift after one or more years of not offering such awards.	4.00%	0.00%