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FOR IMMEDIATE RELEASE

2020 Year-End Bonus Report & Hiring Outlook

SURVEY: MORE COMPANIES OFFERING BONUSES THIS YEAR; ONE QUARTER ARE UNSURE ABOUT 2021 HIRING

CHICAGO, November 17, 2020 – More companies are rewarding their employees with bonuses this year than last year, but are unsure what hiring will be like in 2021, according to survey results released Tuesday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last year, 34.9% of companies reported they never offer a year-end bonus, gift, or perk, similar to results since 2017. In 2016, 27% of employers responded they never offer a gift. This year, however, just 19% of employers reported they would not offer a bonus. Another 14% said they provide a bonus at other times during the year.

“The employers who were able to retain their workforces and are, so far, weathering the pandemic recognize the importance of rewarding their teams, despite not being able to predict exactly what will happen next year,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

Through October, U.S.-based employers have announced 2,162,928 job cuts, according to Challenger tracking, the highest number of cuts since the firm began tracking in 1993. Meanwhile, the U.S. economy is still down by 10 million jobs since the pandemic shut down businesses in March and April.

The majority of respondents reported the COVID-19 pandemic has negatively impacted business, as 52.3% reported worse business conditions. Another 17% reported that COVID

has not affected business, while the same percentage of respondents said business conditions are mixed.

Has COVID directly impacted your business?	2020
Business conditions are worse due to COVID.	52.31%
Business conditions have improved due to COVID.	13.85%
COVID has not impacted business conditions.	16.92%
Some segments are up, while others are down.	16.92%

Challenger conducted the survey in October among 189 companies of varying sizes and industries nationwide.

“Uncertainty is driving most business decisions, especially as state and local government officials advise more stringent measures to control the spread of COVID-19. No one is quite sure what this will mean for consumer and business spending in the next few months,” said Challenger.

“The good news on both the Pfizer and Moderna vaccines is propelling more positive predictions from businesses nationwide, but the questions surrounding deployment and availability still cloud the forecast,” he added.

Over a quarter of businesses report uncertainty is making it difficult to predict hiring needs in 2021, while over 31% say hiring will be slow or flat in 2021. Another 7% predict decreased hiring in 2021 and 6% report a skills shortage.

“The same uncertainty clouding predictions on business conditions is also clouding hiring forecasts. Undoubtedly, talent is available, so it’s a matter of connecting with existing roles,” said Challenger.

“While the pandemic complicates the job search, job seekers should set up video meetings or phone calls to connect with their existing contacts or reach new people in the field in which they are interested. Networking is the number one way to find a new position, especially when uncertainty makes an already hidden job market even more hidden,” he added.

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2020 Challenger Year-End Survey Results

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

	2020	2019
Yes, we provide a non-monetary gift to all employees (such as a gift basket or extra vacation day).	4.00%	10.84%
Yes, we award a nominal (\$100 or less) monetary award to all employees (cash or gift certificate).	21.00%	20.48%
We award a monetary bonus to all employees, the size of which is determined by the company's overall performance throughout the year.	12.50%	9.64%
We award a performance-based year-end bonus to selected employees, the amount of which is determined by the individual's contribution to departmental and/or company-wide objectives.	25.00%	24.10%
No, we do not award any type of year-end/holiday monetary or non-monetary bonus/perk/gift.	19.79%	34.94%
No, we have awarded year-end/holiday bonuses in the past, but we will not be doing so this year due to the economy.	3.13%	1.20%
Other.	1.04%	0.00%

Which statement best describes your company's hiring outlook next year?	2020	2019	2018	2017
The current uncertainty makes it difficult to predict hiring needs in 2021.	25.37%	N/A	N/A	N/A
We increased hiring this year and expect to continue adding workers in the New Year.	20.90%	46.05%	50.65%	41.46%
We have been holding off on hiring, but expect it to increase significantly next year.	7.46%	5.26%	3.90%	4.88%
Demand is still soft and we have concerns about the future economy, so hiring will be slow next year.	20.90%	18.42%	9.09%	24.39%
We would love to hire more, but we are experiencing a skills shortage.	5.97%	3.95%	11.69%	12.20%
Hiring at our company is likely to decrease next year.	7.46%	10.53%	10.39%	7.32%
We are planning to bring in more temporary workers next year.	0.00%	1.32%	3.90%	4.88%
Hiring will remain flat in 2021.	10.45%	N/A	N/A	N/A
Other.	1.49%	14.47%	10.39%	4.88%

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