

2013 Construction

Compensation Survey



NEXUS
SOLUTIONS

A vertical photograph on the left side of the page shows a construction worker in a red shirt, blue jeans, and a white hard hat. The worker is wearing a safety harness and is standing on a red metal beam, working on a wooden formwork structure. In the background, a yellow construction crane and a city skyline are visible under a clear blue sky.

Dear Construction Professional,

Thank you for your participation in the 2013 Compensation Survey! As consultants who work exclusively in the construction industry, we know that unless you were in the sunbelt or in Industrial construction, 2013 was a disappointing year, with spending levels largely unchanged from those of 2012. However, 2014 looks to be a better year, with building activity expected to increase by 5.8 percent overall.

A recent survey by the AGC in August found that almost three-quarters of contractors reported problems filling at least some of their craft positions, and over half were having trouble filling professional positions. This issue will continue to get worst as the baby boomers continue to retire. According to a report from the Federal Government the daily average number of people turning 65 in 2014 will be 9,100 daily and by 2029 that daily average number of people turning 65 will have increased to 11,400 daily!!!

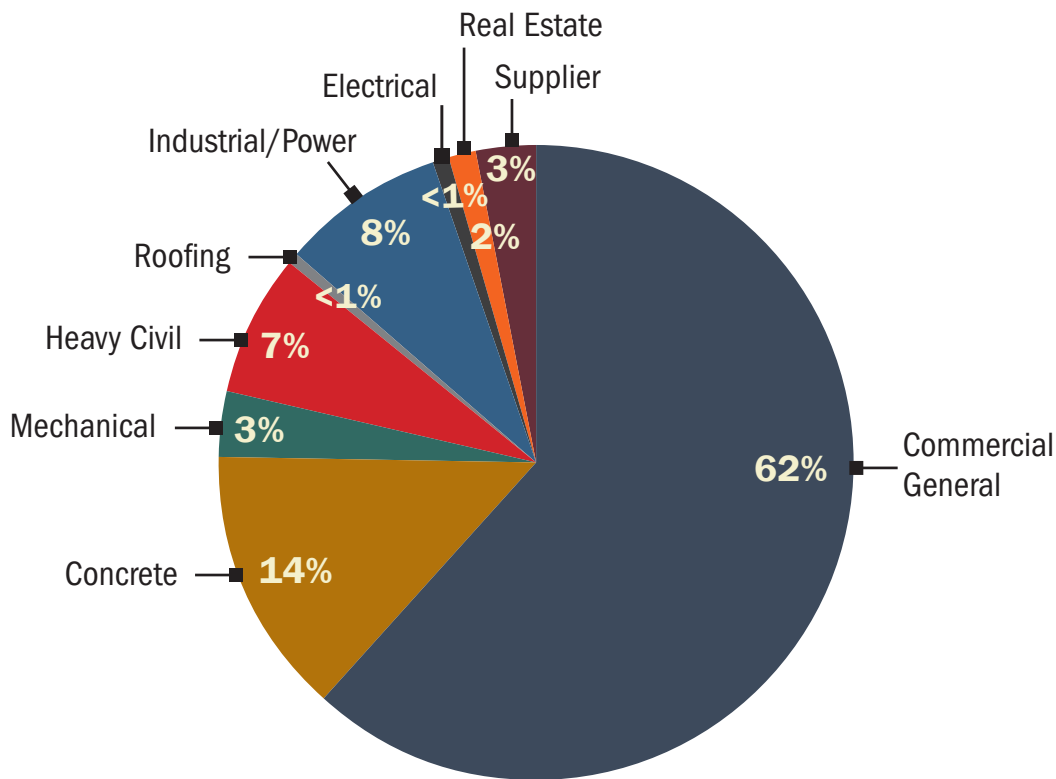
In addition to recruiting and developing talent, part of retaining your workforce requires an adequate compensation program. In our recent Talent Management Survey almost 70% of the Employed Respondents said they will search for other opportunities once the economy rebounds. The top two reasons they would consider leaving their present employment include: Inadequate Compensation (87%) and Poor Opportunities for Advancement (54%).

Compensation and advancement within the organization appear to be the most important factors in retaining and/or attracting talent.

We hope you will find the following information beneficial. Constantly we are trying to find groundbreaking solutions for our clients, and we appreciate the time that you take to assist us in pursuing our goal of helping to build world class construction companies.

The following is a summary of findings from the survey. We had 389 companies and over 1,600 nonresidential construction executives respond. For a more detailed analysis of compensation in particular geographic areas or markets, please contact us:

Contractor Type



The Rundown

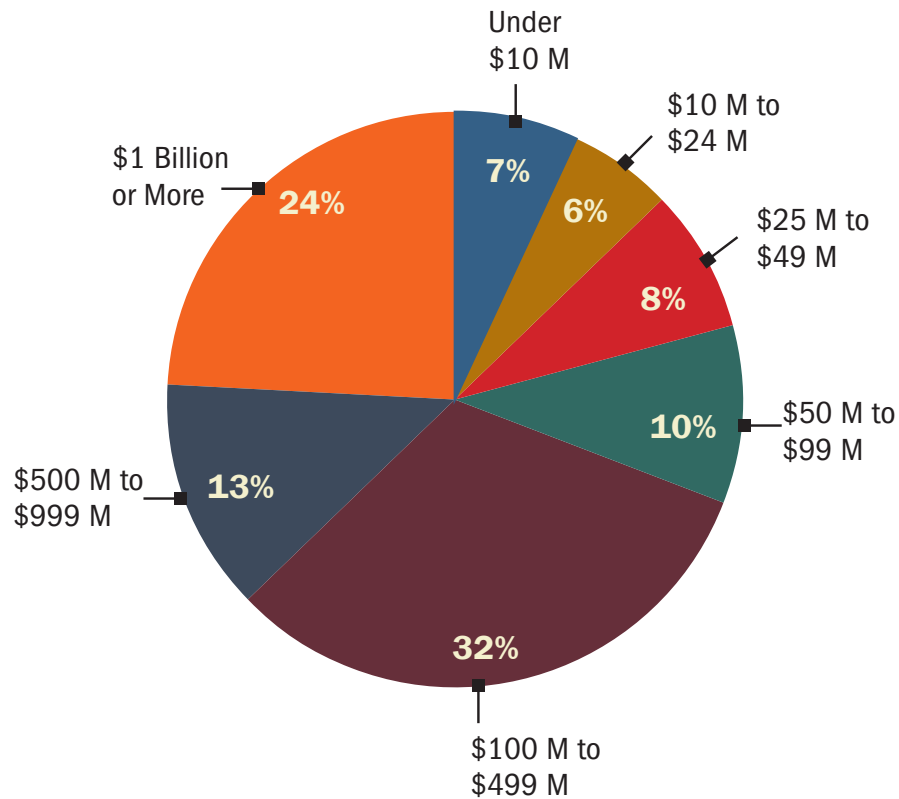
There was quite a robust response to this year's survey. A majority (62%) of the respondents were employed by Commercial General Contractors, 15% indicated that they were employed by either Heavy Civil or Industrial Contractors. 18% were employed by Specialty Contractors, and the remaining 5% were employed by either Real Estate Developers or Suppliers.

Take Away

With such a diversified response to our survey, Nexus Solutions is able to prepare more detailed compensation reports.

Contact us for a personal report.

Respondent Firm Size



The Rundown

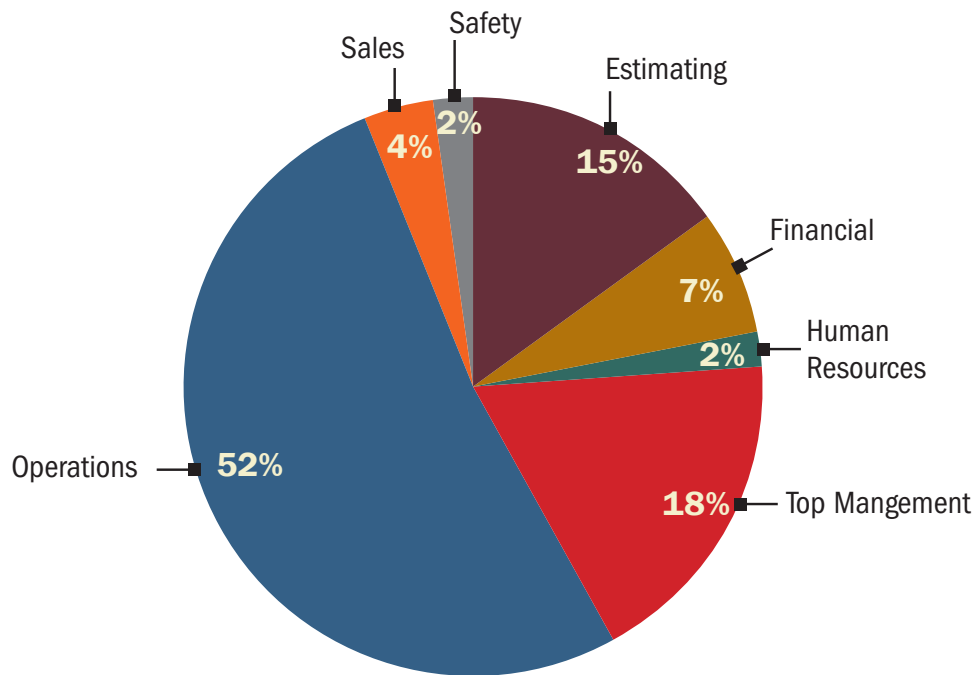
In analyzing the results, we found a widespread sample with respect to firm size. Specifically, we found that 69% of respondents were employed by companies with revenues over \$100 million.

Take Away

Ensuring that employees are adequately compensated for their specific roles and responsibilities is crucial for any company's culture. Compensation often differs greatly depending on geography and company size.

For more information on compensation information for your company size, give us a call.

Classification of Respondents



The Rundown

In deciphering job families, Nexus found that the majority of respondents fell into three buckets: Operations (52%), Top Management (18%), and Estimating (15%). This is not surprising considering that these three classifications make up the bulk of employment in construction companies.

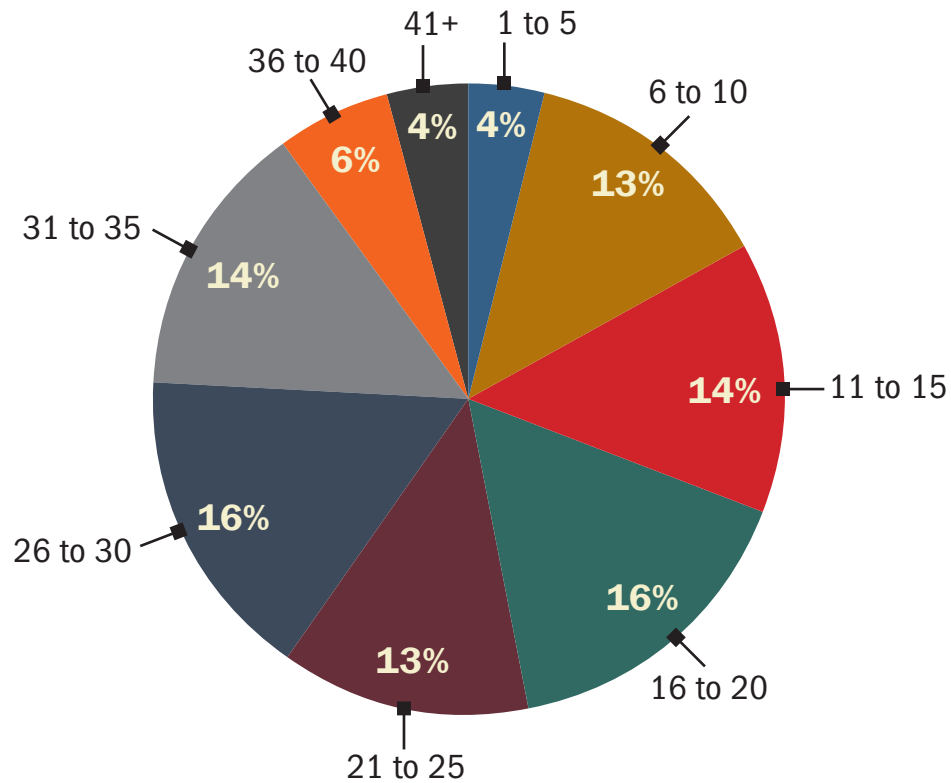
Take Away

The majority of respondents came from either Estimating, Top Management, or Operations. Not surprising as construction companies have historically maintained low overhead structures.

When discussing job families, it is important to review pay bands for each position. Surprisingly, a recent Performance Management Survey conducted by Nexus concluded that 75% of companies polled are not utilizing pay bands.

There are many different compensation tools, which one seems to work best for your firm?

Years of Industry Experience



The Rundown

The average construction experience of respondents was 22.6 years. The widespread sample of experience especially helps explain compensation differences among similar job titles.

Take Away

Over half (49.7%) of the respondents in the 2013 Construction Compensation Survey are going to be retired in the next 20 years. The combined years of experience of all participants equaled 19,301 years.

And yet we found that 63.6% of construction companies have no Succession Plan in place. Start planning for tomorrow before it is too late. A goal that is not written down is a wish!!

Top Management

The chart below shows the comprehensive results of C-Suite, Top Management construction respondents. Please note that these compensation numbers are all inclusive.

Top Management

Position	Average Base	Average Bonus	Total Comp
CEO	\$310,133	\$145,909	\$456,042
President	\$206,400	\$113,787	\$320,187
Chief Operating Officer	\$209,772	\$68,114	\$277,886
Executive Vice President	\$236,605	\$123,384	\$359,989
Senior Vice President	\$191,297	\$96,558	\$287,855
Vice President	\$147,752	\$59,576	\$207,328
VP of Construction	\$140,769	\$63,000	\$203,769
Regional Manager	\$138,963	\$35,630	\$174,593
General Counsel	\$167,700	\$54,200	\$221,900



COMPENSATION RESULTS

72%

Percentage of respondents that received a raise in 2013, and on average that raise was 5.23%.

73%

Percentage of respondents are expecting a raise in 2014, and on average that raise is expected to be 4.4%.

Operations

The chart below shows the comprehensive results of Operation construction respondents. Please note that these compensation numbers are all inclusive.

Operations

Position	Average of Base	Average Bonus	Total Comp
VP of Operations	\$152,810	\$38,375	\$191,185
Director of Construction	\$141,438	\$24,538	\$165,976
Project Executive	\$134,133	\$23,125	\$157,258
Construction Manager/Gen.	\$123,176	\$18,642	\$141,818
Operations Manager	\$118,933	\$9,854	\$128,787
Sr. Superintendent	\$121,802	\$20,925	\$142,727
Sr. Project Manager	\$109,177	\$18,256	\$127,433
Engineering Manager	\$106,400	\$15,000	\$121,400
Superintendent	\$85,607	\$11,335	\$96,942
Project Manager	\$85,111	\$9,418	\$94,529
Design Engineer	\$76,250	\$5,500	\$81,750
Project Engineer	\$60,721	\$5,219	\$65,940
Equipment Manager	\$88,509	\$10,166	\$98,675
Assistant Superintendent	\$66,442	\$7,788	\$74,230
Foreman	\$55,988	\$3,208	\$59,196

Estimating

The chart below shows the comprehensive results of Estimating construction respondents. Please note that these compensation numbers are all inclusive.

Estimating

Position	Average of Base	Average Bonus	Total Comp
VP Preconstruction	\$169,356	\$26,571	\$195,927
VP Estimating	\$151,000	\$41,666	\$192,666
Director of Preconstruction	\$134,433	\$19,571	\$154,004
Director of Estimating	\$126,625	\$31,416	\$158,041
Chief Estimator	\$120,127	\$24,574	\$144,701
Preconstruction Manager	\$123,576	\$9,857	\$133,433
Senior Estimator	\$103,893	\$8,737	\$112,630
Estimator	\$74,218	\$5,885	\$80,103
Assistant Estimator	\$53,576	\$3,333	\$56,909



Financial/Human Resources

The charts below show comprehensive results of respondents. Please note that these compensation numbers are all inclusive.

Financial

Position	Average of Base	Average Bonus	Total Comp
CFO	\$198,329	\$51,529	\$249,858
VP Finance	\$160,286	\$44,551	\$204,837
Controller	\$118,057	\$21,761	\$139,818
Accounting Manager	\$64,500	\$3,200	\$67,700
Accountant	\$56,827	\$4,955	\$61,782

Human Resources

Human Resources	Average of Base	Average Bonus	Total Comp
VP of Human Resources	\$158,500	\$31,250	\$189,750
Director of Human Resources	\$106,750	\$12,437	\$119,188
Recruiting Manager	\$87,333	\$15,000	\$102,333
Human Resource Manager	\$89,395	\$10,428	\$99,823
Human Resource Generalist	\$54,216	\$3,961	\$58,177

Marketing/Sales

Position	Average of Base	Average Bonus	Total Comp
VP Business Development	\$147,467	\$48,600	\$196,067
Director of Business	\$106,700	\$29,794	\$136,494

Safety

Position	Average of Base	Average Bonus	Total Comp
VP Corporate Safety Director	\$184,655	\$35,958	\$220,613
Regional Safety Director	\$114,950	\$20,800	\$135,750
Manager / Safety Director	\$76,162	\$6,833	\$82,995

Health Care

97%

The percent of companies that provide Health Care Plans to employees.

86%

Percentage of respondents who pay for a portion of their Health Care.

The Rundown

Considering the risk associated with construction, it was no surprise that 97% of companies indicated that they currently provide health care options to their coworkers. What was interesting was that 33% of the individuals surveyed indicated their employer has informed them their current healthcare plan will be changing do to Obamacare. Most of the changes involve one of the following:

- Higher monthly premiums
- Higher deductibles
- Higher co-pays
- Many indicated that their spouse was being forced off their plan
- Some of the respondents indicated minor increases but no major changes

Take Away

It is interesting that last year 16% of respondents indicated that they did not contribute for their health care, this year that percentage has dropped and I anticipate as the Affordable Care Act gets fully rolled out to all companies in 2015 we will see a continue decrease in that number.



401K

92%

The percent of companies that provide 401K to employees.

88%

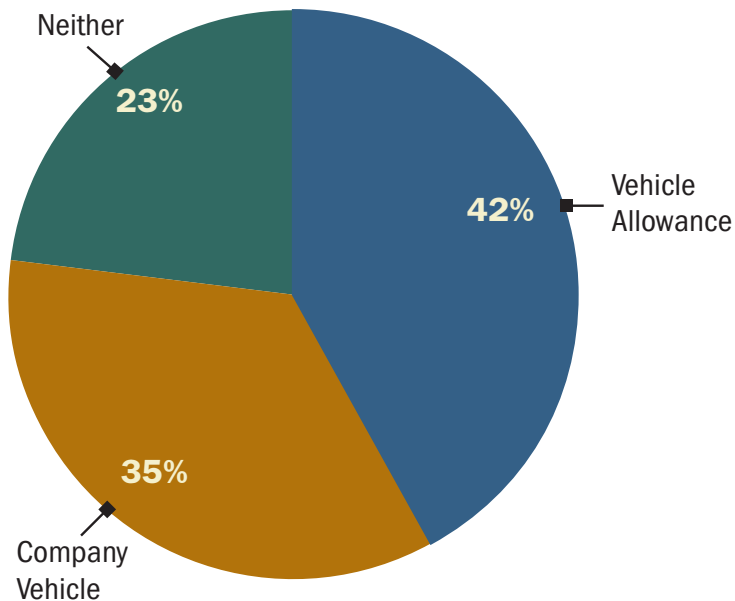
Percentage of companies that have some sort of match of their 401K.

The Rundown

Although 401K plans have taken a hit from the Great Recession, 92% of respondents indicated that their company provides 401K plans. Additionally, 88% of respondents noted that there was some kind of employer match to their 401K plans.

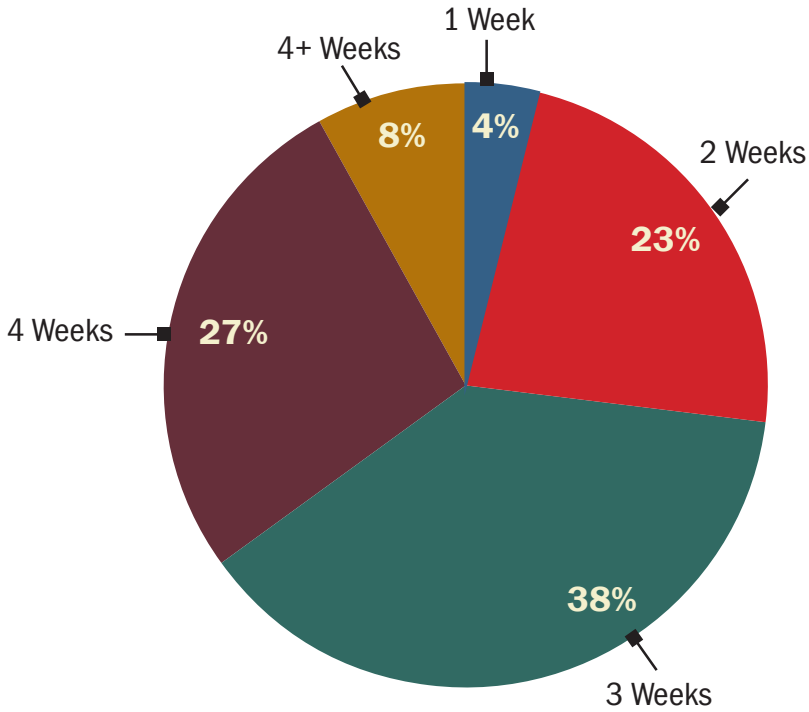
Transportation

Types of Transportation Benefits



Vacation

Weeks of Vacation



The Rundown

The amount of vacation time awarded fluctuated in this year's survey. The majority of respondents (38%) received three weeks of paid vacation.



We Believe...

The only factor that separates one Contractor from another is the quality of the people they employ.

The secret competitive advantage that all great companies share is Visionary Leadership combined with tremendous Human Capital.

Companies with Visionary Leadership understand the coming markets, develop unique market strategies, and then invest in the growth of their future leaders.

The single most important driver of organizational performance is LEADERSHIP.



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