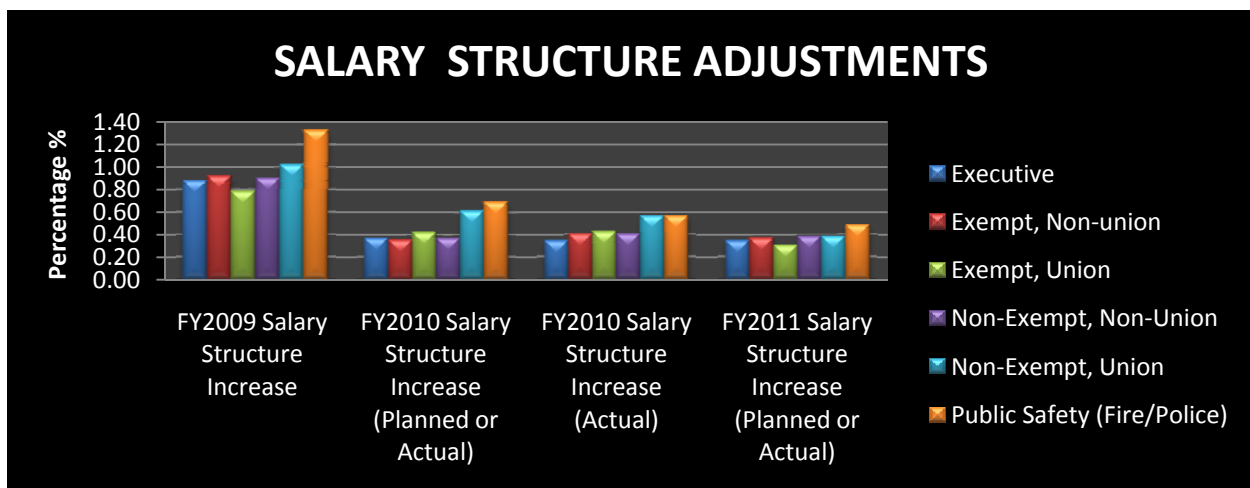
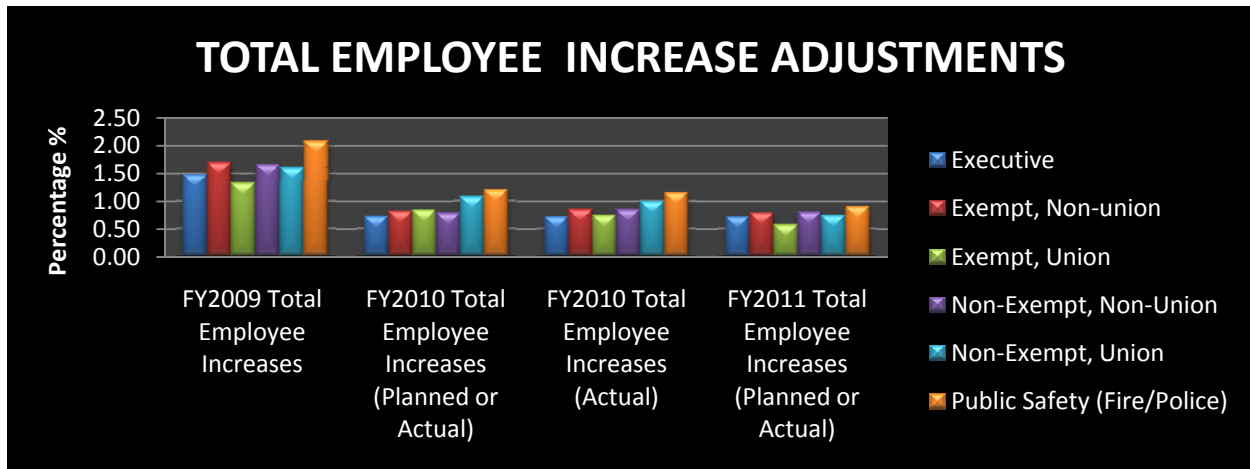


2010 Worse Than Anticipated For Salary Increases; 2011 No Better

For the second year, IPMA-HR and Fox Lawson & Associates, a division of Gallagher Benefit Services, Inc., conducted an online survey of IPMA-HR members concerning their pay administration actions and plans for 2010 and 2011.

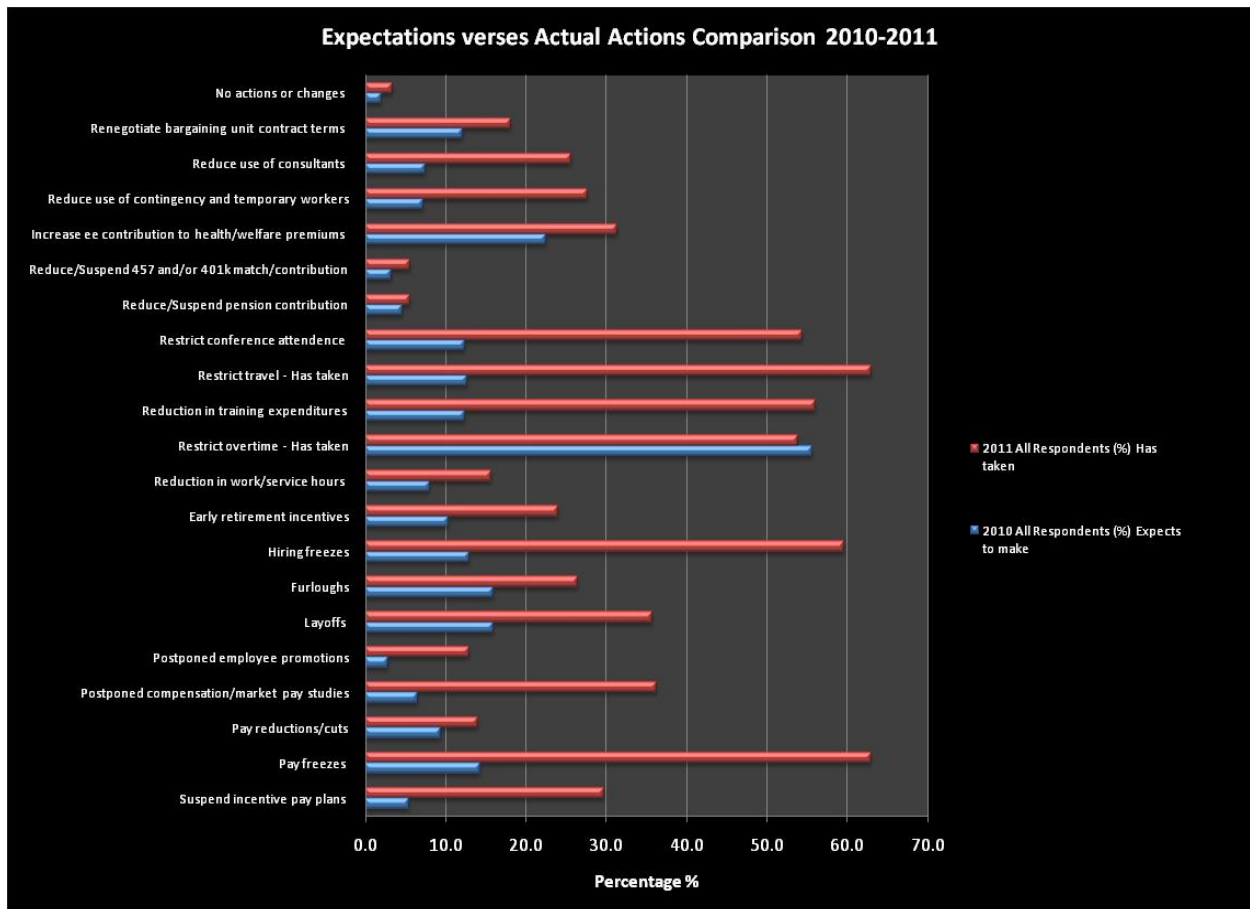
Overall, the trend for employee increase budgets and salary structure adjustments continues its downward movement from 2010 into 2011. In the survey of 2010, we asked participants to indicate their actual and planned employee increases and salary structure adjustments. As can be viewed in the charts below, actual increase and structure adjustments for 2010 were lower than planned. Actual and planned adjustments for both employee increases and salary structure adjustments for 2011 are less than one percent.



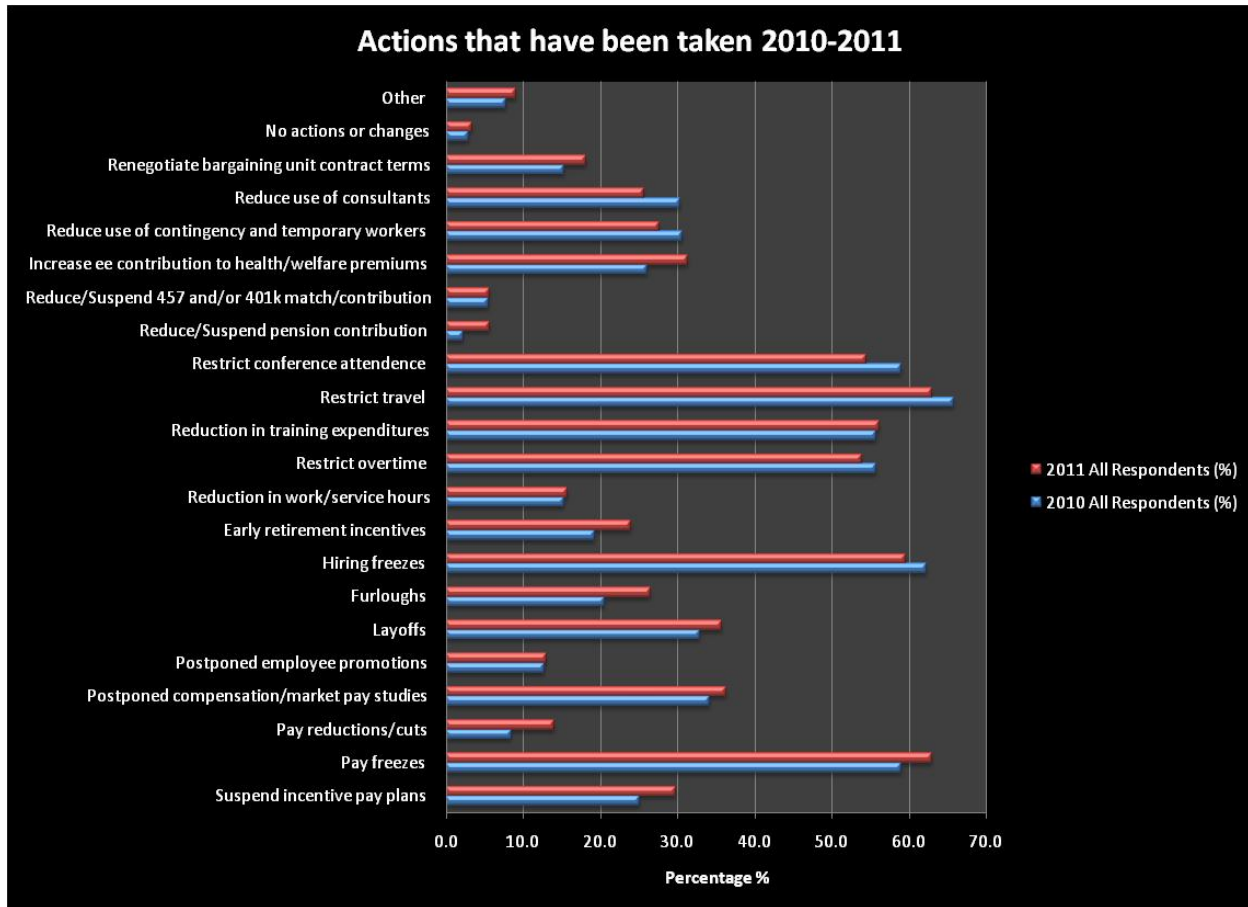
State and county organizations also continue to have the lowest budget numbers among the organizational categories with states making on average only 0.37 percent adjustments to

employee salaries and 0.23 percent adjustments to pay structure. Counties are also making low adjustments to employee pay and pay structures of 0.53% and 0.18% respectively.

In general, IPMA-HR members thought 2011 would be a better year than 2010 as shown below. For the vast majority of potential actions that could be taken because of the recession, organizations took these actions to a greater extent than planned and as specified in 2010.



While respondents seemed to think 2011 would be better than 2010, the numbers remain fairly consistent, and in some cases, increase in frequency. Only a small percentage (3.4 percent) of responding organizations made no changes due to economic conditions in 2011. This number is up slightly from 2010 when only 2.9 percent reported no changes. “As we expected, the private sector is showing signs of slow recovery while the public sector continues to lag 18 to 24 months behind the private sector,” said James Fox, Ph.D., managing director of Fox Lawson & Associates. “In 2013, we should expect to see public sector organizations beginning to decrease their use of these cost reduction strategies.”



The next survey to be conducted by IPMA-HR and Fox Lawson will focus on paid time off programs within IPMA-HR member organizations. Please look for this survey this summer. If you have any questions regarding this survey, please contact Bruce Lawson, either by phone at (602) 840-1070, or by email at Bruce.Lawson@foxlawson.com, or Jim Fox, either by phone at (651) 635-0976, or by email at Jim.Fox@foxlawson.com.

Data was collected from 408 organizations across the country between March 28 and April 15, 2011. The percentage of data represented by the type of public sector organization is as follows:

Municipalities/Towns	58.1%
City/County	1.2%
Counties	16.7%
States	9.1%
Special Districts	6.9%
Other organizations	5.4%
Universities/Colleges	1.5%

School Districts	0.1%
Federal	1.0%