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## **More Ohio Employers Plan to Increase Staff Levels and Give Wage Increases in 2012**

*According to Survey from Employer Associations of America*

**[CINCINNATI, OH – January 10, 2012]** "Ohio employers are more optimistic about 2012 according to the *2012 Economic Trends Survey*," said Jennifer Graft, president and CEO of Employers Resource Association (ERA), an organization specializing in human resources consulting, training, development, legal updates, HR news and information. The survey responses reflect a more optimistic view of 2012 by executives across the nation.

The survey reveals that 39% of Ohio employers are planning to increase staff levels this year, up from 36.5% last year. 72% are planning to give wage increases this year, up from 61% last year.

The *2012 Economic Trends Survey* reflects the views of nearly 2,000 organizations and their executives across the nation. More than 50% of participants were from the Midwest region (OH, IN, MI, IL, MO, IA, KS, NE, SD, ND, MN and WI) with 47% of responses from companies with 1 – 99 employees in the region, and 35% from the manufacturing industry. Ohio companies accounted for 10.7% of responses, with 202 participants, the fifth highest of all states.

The following statistics reflect responses from Ohio, which are closely aligned to the rest of the Midwest.

### **Economy & Sales: Optimistic**

An impressive 88% of the executives in Ohio expect the overall economy will be about the same or better in 2012 compared to 2011 (55% about the same, 33% better). Similar to last year, respondents are more confident about their own business outlook than the overall economy. While 33% anticipate the overall 2012 economy will be better than 2011, 71% of business owners expect increases in their own sales / revenue. Not all respondents were quite as enthusiastic with 22% of respondents that anticipate flat sales / revenue and 9% that expect a decrease in sales/revenue.

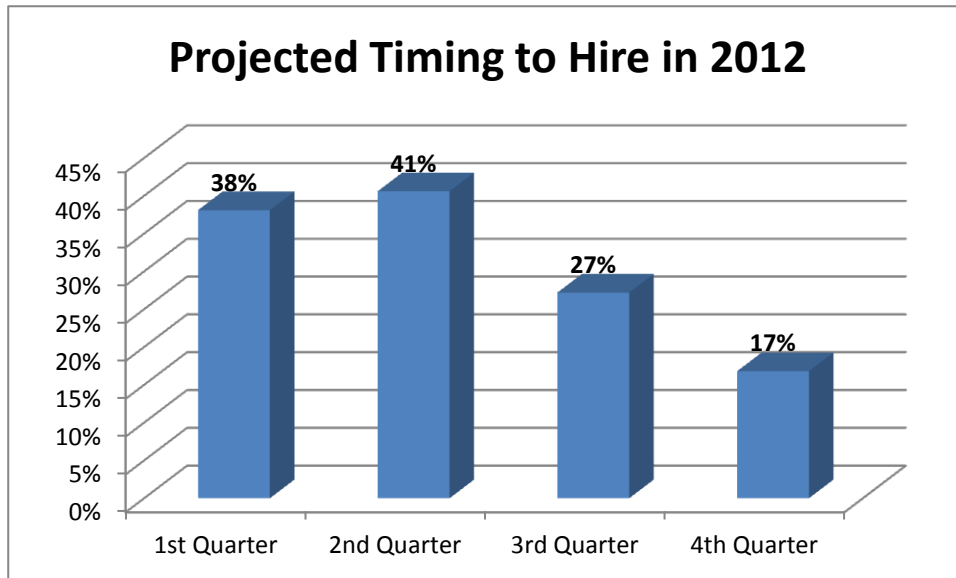
Plans for significant new investments in people, facilities and/or equipment are split. 51% say they will not make investments while an optimistic 49% of respondents plan investments to improve service capacity and/or revenue in 2012.

### **Job Creation Barriers:**

The greatest barrier to job creation, according to executives, is concerns about further economic decline (61%). The next two greatest response groups said the biggest barriers are limited consumer demand (15%) and excessive government regulations (14%).

### Staff Size: Growing A Bit

Although 55% of the organizations reporting do not plan to increase the size of their staff in 2012, nearly 39% of the respondents plan to hire staff, with most of those expected during the first half of 2012. These results are similar to last year.



### Compensation & Benefits Strategies:

Employer confidence has improved from one year ago with 72% of participating organizations actually giving a pay increase in 2011. This is an increase from the 61% of participating organizations that planned an increase in 2011. We see a similar pattern for the 2012 forecast. Significantly fewer organizations are delaying or freezing wages (13% in 2012 vs. 20% in 2011) and nearly 67% of those surveyed are planning a pay increase in 2012 – up 5% from 2011.

A minority of the organizations surveyed, 17%, froze or reduced pay as cost cutting measures in 2011. Of the organizations that froze or reduced pay in 2011, 47% plan to completely or partially restore pay to some employees in 2012. These increases are in the form of merit, general or cost-of-living adjustment (COLA). Of the organizations that froze or reduced pay in 2011, 24% report a continuation of the pay freeze and 29% are uncertain.

### More Cost-Cutting

As executives continue to manage their organizations through the challenging economy, 48% plan to trim costs by focusing mainly on lean / process improvement initiatives during 2012. The top cost-cutting measures planned for 2012 are outlined below. It's significant to note that relatively few organizations plan layoffs with just 6% of respondents—comparable to 2011 results.

<b>Top Cost Cutting Measures for 2012</b>	
<b>Measures</b>	<b>Percentage</b>
<i>Lean / process improvement initiatives</i>	<i>48%</i>
<i>Shift a larger percentage of healthcare costs to employees</i>	<i>23%</i>
<i>Layoffs (permanent reduction in staff)</i>	<i>7%</i>
<i>Reduce paid time off benefits (vacations, personal days, etc.)</i>	<i>2%</i>

“Interestingly, 42% of respondents have no cost-cutting measures planned for 2012. This is an 8% increase compared to last year’s survey results. It’s not clear if this is a barometer of employers’ optimism or if it is an indicator of how lean companies are operating after past cost-cutting measures,” said Jennifer Graft, president and CEO of ERA.

### **Survey Information**

The Employer Associations of America’s data reflects national conditions. EAA surveyed 1890 companies: 45 percent were from manufacturing, 10 percent were from Professional and Business Services, 6 percent were from Health Services, and 39 percent from other industries. The survey also represents all sizes of companies, from 1-99 employees (53 percent), 100-249 employees (25 percent), 250-499 employees (12 percent), 500-999 employees (5 percent), and over 1,000 employees (5 percent). The survey data was collected in October through November of 2011.

### **About Employers Resource Association**

ERA’s team of human resources experts work with a membership of over 1,300 companies in Ohio, Kentucky and Indiana on HR issues. From traditional concerns – such as compensation, hiring/firing, performance appraisals, training and development – to tougher challenges like Affirmative Action Plan audits, sexual harassment and social media policies in the workplace, ERA helps companies of all sizes in the Midwest with offices in Cincinnati and Columbus. For more information, visit [www.hrxperts.org](http://www.hrxperts.org) or call 888.237.9554.

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