



Income change survey 2020

Results of survey conducted in June 2020 by Valenco Inc.

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In its 3rd Income Change survey, Valenco asked respondents if their income had changed in the last two years, by how much and if they had changed jobs in the last 3 years or continued with their employer.

A majority of responses were received from USA and Canada and from respondents working in IT services.

Highlights

- In the last 2 years, actual income increased for 78% of the respondents, was flat for 7% and fell for 15%.
- Compared to past years, income increases were broader based across demographics, professions and geographies.
- 84% of those who stayed with their employer saw income increases in the last 2 years vs. 73% who changed jobs.
- Employers gave higher increases to existing talent pool compared to past years
- 20+% income increases were more common for those who changed jobs (44%) vs. those who continued with their employer (18%).
- More professionals not making bonus' / variable compensation in their jobs changed employers to boost realized income

1. Change in income in the last 2 years

In the last 2 years, actual income increased for 78% of the respondents, was flat for 7% and fell for 15%.

60% respondents indicated income increase of 10% or more compared to 54% in 2018

Income change – all respondents

	>20%	10-20%	0-10%	Flat	Decreased
2020 survey	33%	27%	18%	7%	15%
2018 survey	34%	20%	27%	4%	15%



Income change survey 2020

Compared with 2018, income gains were broad based across geo's, professions and experience. Those with less than 20 years' experience, non IT sales persons, and India based professionals caught up the most.

While still a healthy 71% mentioned improvements in income, professionals with 20+ years of experience trailed all other demographics.

Income change by demographic – Comparison of 2020 and 2018 surveys

	2020	2018		2020	2018		2020	2018
USA & Canada	78%	78%	IT sales/account sales	81%	87%	< 15 years	100%	80%
India & ROW	75%	60%	IT SME / delivery	73%	64%	15 – 20 years	91%	79%
			Other professions	74%	33%	20+ years	71%	73%

2. Job change trend

58% of the respondents had changed jobs in the last 3 years, almost similar to the 60% in the 2018 survey. However, notable dips in job changes in three respondent categories – those in IT delivery, respondents from India, and those in the lowest experience band of less than 15 years.

Comparison of surveys done in 2020, 2018 and 2016

Geo	Profession			Experience					
	2020	2018	2016	2020	2018	2016			
USA & Canada	62%	64%	69%	IT services sales	60%	61%	<15 years	42%	71%
India & ROW	40%	46%	100%	IT services delivery/SME	50%	69%	15 – 20 years	58%	58%
				Other professions	61%	50%	20+ years	62%	60%

3. The impact of switching jobs on income

84% of those who stayed with the same company the last 3 years saw an increase in their income in the last 2 years as compared to 73% of those who changed companies.

Among those who changed companies, 44% indicated income increases of 20% or higher. In contrast, only 18% of those who stayed on with their employer mentioned a 20% + income gain.

Income gains of 0-10% and 10-20% were much more frequent for those who stayed on with their employer.



Income change survey 2020

23% of respondents who changed jobs mentioned that their income came down. All of them had more than 20 years of work experience.

2020 survey - Income change in the last 2 years

	>20%	10-20%	0-10%	Flat	Decreased
Changed employer	44%	21%	8%	5%	23%
Did not change employer	18%	36%	31%	11%	4%

54% of respondents mentioned that they had seen 10% or better income gains in the past 2 years while continuing with their employer. This is a sharp increase from 35% who indicated the same in the 2018 survey indicating that in the past 2 years employers have bumped up pay hikes for existing employees.

2018 survey – Income change in the last 2 years

	>20%	10-20%	0-10%	Flat	Decreased
Changed employer	42%	24%	8%	7%	19%
Did not change employer	21%	15%	54%	2%	8%

Compensation package changes when switching companies

A much lower % of respondents changing companies mentioned that they had got a better salary package at the time of making a company switch.

Offered better salary package

2020 survey	2018 survey	2016 survey
71%	78%	89%

At the same time, the actual income gains have been similar in the 2020 and 2018 surveys. Our surmise is that more individuals moved jobs when they were not earning the expected bonuses or other variable compensation in their job. Having moved to a new job, they started to accrue the bonus or variable pay. This could be a reason why the income gains continued to be similar to prior surveys even though much fewer respondents were offered a better salary package.



Income change survey 2020

An increasing number - 91% - of those whose income increased after changing jobs saw the improvement in the first year after job change.

When did actual income increase?

	2020 survey	2018 survey	2016 survey
Year 1	91%	84%	65%
Year 2	9%	16%	35%

4. Demographics and profile of respondents

Respondent profile - location

	USA/Canada	India & Other geo's
2020 survey	81%	19%
2018 survey	79%	21%
2016 survey	77%	23%

Respondent profile - profession

	IT Sales / account sales	IT SME/Delivery	Other professions
2020 survey	58%	21%	21%
2018 survey	65%	16%	19%
2016 survey	61%	23%	16%