

“Reliable Market Data: Does It Exist and Where?”
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Do you remember participating in scavenger hunts as a young child? As a child, the scavenger hunt items were normal household things, and solicited parents and friends were willing to give these items away for the fun of the game. This game takes on a totally different venue when played by adults. The scavenger items are not the norm; they are usually harder to find, the competition can be fierce and those solicited individuals are not as charitable with adults as they are with children. As adults, the game fosters competitive outcomes versus a fun activity and when the clock is ticking, it is not uncommon to pull out the wallet and pay cash for those last few items at the local retail store.

The two scavenger hunt scenarios mentioned characterize the market salary survey industry evolution over the past few years. Historically, pay and benefits data has been readily available by organizations that were willing to share for the greater good of the compensation and benefits scavenger hunt. If time was of the essence, purchased data was reasonably priced and accessible. In the last few years, the market pay scavengers have grown up and now those obtaining and providing data are less apt to share. Coupled with the economics of supply and demand, it is not uncommon to see firms like Salariesource.com closing their web-based market salary database subscription service after 25 years in the business. The larger companies in this business sector are buying out the smaller players, and now market pay data, which was once a reasonably priced and readily available commodity, has been replaced with expensive and less reliable pay database products.

This information is of no use to you when asked by management to scavenge for reliable market pay data that your organization can acquire for free or with a limited amount of funds. The information below will help you in your search. Sources of pay data are available with a price tag from free to thousands of dollars for online and/or printed information. One source of free pay data by Standard Metropolitan Statistical Areas (SMSA) is offered by the Department of Labor (DOL) with 2008 pay averages by state by SMSA. With validation of the DOL’s data against other local/regional pay averages, we found their data to be reliable, and it is hard to beat the price and accessibility of this internet-posted data source. A downside of the DOL’s data is that it is dated by about 12 to 18 months. On the other hand, you could pay for Salary.com’s pay data. However, we found their pay data has inflated averages when compared to our multiple sources. Therefore, we do not utilize their data.

The next layer of inexpensive pay data sources is associated with local and regional human resources, compensation and trade associations where pay data is compiled from a market study questionnaire. The results are shared with the participating entities for a nominal fee and a larger nominal fee for non-participating organizations. For hundreds of dollars to a few thousands of dollars, market pay data by business sectors or job classification groups may be purchased from firms like Compdata, PayScale and Culpepper. For the upper four figures and lower five figures, market salary data is available by the mammoth firms like Mercer, Watson-Wyatt, Hay and Hewitt. These sources provide reliable national and international large city pay data, but their business market focus is predominantly Fortune 500 companies that can afford to pay premium dollars for multi-market data points.

With limited or non-existent published pay data, it may be time to request the services of a compensation consultant who can assist you with preparing, soliciting and compiling local and regional pay data from like-type organizations and/or organizations with similar job classifications. Buyer Beware! It is not necessary to pay more than four figures for a 50 to 60 job title benchmark market pay study with eight to ten data sources. Happy Scavenging!