



2018 ACI-NA Compensation and Benefits Survey



ACI-NA Compensation & Benefits Survey – White Paper

Written by Steve Treder, Senior Vice President at Western Management Group

In the United States, median base pay in the Airports industry was up very slightly over the past year, by 1.3%. U.S. Airport executive jobs saw their median total cash (which includes base pay and bonuses) rise by an identical rate of 1.3%. Canada, meanwhile, saw more significant wage growth, with overall median base pay 5.6% higher than one year ago, and total cash up by 4.0%. Canadian Airport executive compensation showed mixed market change, at 2.5% lower in median base salary, but a 1.6% increase in total cash, due to more widespread bonus payments.

These results are reported in the 2018 Airports Council International-North America Compensation Survey. A total of 148 airports/authorities (130 U.S. and 18 Canadian) took part in the 2018 cycle, reporting comprehensive compensation data on over 13,000 employees in 115 distinct industry-specific jobs.

This is the tenth annual such survey conducted on the behalf of ACI-NA and its member airport authorities by the compensation and benefits survey firm Western Management Group (WGM). The survey was inaugurated in 2008 in response to requests from Airport Directors for a credible, reliable, and legally compliant source of market compensation data. Both U.S. and Canadian anti-trust regulation impose limits on the manner in which employers may share sensitive employee pay data with outside parties. (The pay data presented here represents pay rates as of August 1, 2017, in those airports that participated in both the 2017 and 2018 editions of the survey.)

Survey participants represent a broad cross-section of the industry, from operations in the U.S. employing fewer than 10 employees to more than 3,500, and with annual revenues ranging from about \$1 million USD to nearly \$2.5 billion USD. Broken down by governance, 45% of the 2018 U.S. participants are airport authorities, with another 25% city-operated, 11% county-operated, 5% port authorities, 2% state-operated and 11% in a category different than those listed. Participating Canadian operations range from fewer than 10 employees to 1,450, and with annual revenues ranging from \$3 million CAD to \$1.2 billion CAD. Canadian airports broken down by governance reflect 61% as airport authorities, with another 17% city-operated, 5% port authorities, and 17% in a category different than those listed.

A notable observation presented in the survey is an indication of industry employment growth: the total number of U.S. employees reported in the survey increased from 11,718 in 2017 to 12,098 this year, an increase of 3.2%.

The change in average pay from year to year was far from evenly distributed across all jobs, a pattern consistent with that of previous surveys. In the United States, even though an overall increase in median pay was reported, more than 30% of the surveyed jobs showed a decrease to some degree, both in base pay and in total cash. Meanwhile in Canada, despite the much healthier increase in overall



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average pay, over 40% of the jobs reported a decrease in median base pay, and a similar proportion indicated a decrease in median total cash.

In general, significant year-over-year change in average pay is an indicator of high turnover. We continue to witness the effect indicated in previous years, of long-tenured “baby boomer” incumbents in certain jobs retiring, and those positions being filled with replacements who may be much younger and lower-paid, or in any case much differently paid. The particular jobs displaying the most dramatic fluctuations this year were, in the U.S., Airport Fire Lieutenant up by 29% in median total cash (while that very job had shown a 21% decrease in the same figure from 2016 to 2017), and Asset Manager and Community Programs Manager, both down by 19%, and in Canada, Vice President of Business Development and Marketing up by 25% and Chief Engineering Officer down by 49%. The specific jobs in each country presenting the largest employee samples were the Airport Police Officer (1,903 incumbents, median total cash up by 8.8%) in the U.S., and the Airport Fire Fighter (194 incumbents, median total cash up by 9.5%) in Canada. High volatility on a job-to-job basis within a moderated broader context strongly underscores the importance of carefully scrutinizing the survey data every year, in every job, and also the value of employing such “data-smoothing” methodologies as multi-year rolling average analysis.

Along with incumbent-level pay information, the survey collects extensive data on a variety of employee benefits programs common in the industry, and numerous other general Human Resources policies and practices.

WMG’s large survey database includes information provided by many hundreds of employers across many industry sectors, allowing for comparison of the Airports industry programs with those in other specific industries, and the broader economy. For example, U.S. airports/authorities reported a mean average 2018 salary merit increase budget of 3.2%, slightly higher than the mean of 3.0% across other industries.

Another finding of note is that employers in the U.S. Airports sector report spending more on employee benefits than most others. The survey reported the median cost of benefits as a percentage of payroll for airports/authorities at 34%, compared with a 30% figure for the U.S. nationwide.

The detailed compensation data included in the ACI-NA Compensation Survey is not available to the general public. Only those airports/authorities who participate in each year’s survey are eligible to purchase the data. Such participants are granted access not only to a series of various reports, but also gain credentialed log-in access to the survey database to design and create customized cuts. Survey fees are scaled based on airport/authority size, ranging from \$300 for the very smallest airports to \$3,175 for the largest—in every case a small fraction of annual operational payroll expenses.

Any airport/authority interested in learning the process of participating in the survey is encouraged to contact Toni McGrath, the Survey Director at Western Management Group, at 408.816.2346, or toni@wmgnet.com.