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Presents the...

PAS CONTRACTOR COMPENSATION QUARTERLY

THE MARCUM EDITION

FIRST QUARTER 2022

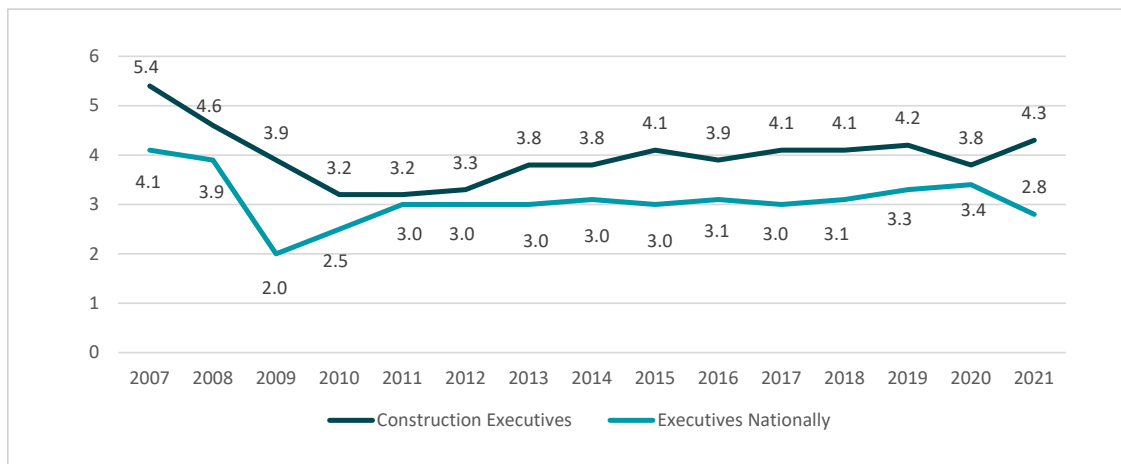
The **Contractor Compensation Quarterly** (CCQ) is especially designed for the busy construction executive who needs to keep abreast of competitive compensation and benefit levels within the industry.

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2021 ACTUAL AND 2022 EXECUTIVE PAY FORECAST

The 2021 Executive actual increase came in at 4.3%. The projected 2022 executive increase is also 4.3%. Historically predictions are about .5% low, so we expect by year-end the actual 2022 increase will hover around the 4.8% mark. We will have some sense in the second

quarter on how 2022 will play out. For comparison, WorldatWork is projecting a 3.2% average increase for all executives in 2022.



EXECUTIVE PAY

The following represents base salary national numbers regardless of company size, type of contractor, type of construction performed – all factors in determining a

competitive market value. We would expect your pay to be either above or below these numbers based on your company's demographic scheme.

Survey Position	25 th Percentile	Median	Average	75 th Percentile
Board Chairman	\$330,500	\$452,000	\$489,450	\$590,000
President	\$217,328	\$289,750	\$316,076	\$386,650
Executive Vice President	\$178,910	\$231,369	\$245,221	\$297,260
Senior Vice President	\$189,125	\$233,763	\$234,099	\$276,328
Vice President of Operations	\$155,250	\$182,850	\$189,033	\$210,000
Vice President of Estimating	\$133,748	\$167,539	\$167,610	\$187,784
VP of Business Development	\$143,100	\$175,001	\$172,569	\$195,822
VP of Preconstruction	\$158,808	\$180,000	\$183,122	\$207,570
VP /Chief Financial Officer	\$155,782	\$187,000	\$200,815	\$227,567
VP of Human Resources	\$132,300	\$163,640	\$171,017	\$195,007
General Counsel	\$184,907	\$219,960	\$227,097	\$255,701
Operations Manager	\$132,979	\$151,250	\$151,426	\$171,828
IT / MIS Director	\$115,200	\$141,397	\$143,494	\$162,269
Divisional Manager	\$138,900	\$152,000	\$151,152	\$165,100
Controller	\$108,732	\$123,594	\$126,447	\$140,650

EXECUTIVE PAY (continued)

Focusing on the Presidents total direct compensation (base pay plus bonus) the differences between revenue sizes offers a good look at how company volume impacts compensation practices. In general terms, the larger the contractor, the higher the compensation.

Making more than the following numbers? The combination of base salary and bonus of the top 3 highest paying companies in the 2022 survey averaged \$2,992,293.

Revenue Size	Average Total Compensation
Up to 5 Million	\$138,700
5 Million to 25 Million	\$280,127
25 Million to 100 Million	\$440,814
100 Million to 250 Million	\$516,360
Over 250 Million	\$910,651

Company size is important, but there are notable differences between other demographics. The following tables reflect variable pay practices for the **President** position.

The percentages reflect the bonus paid as a percent of base salary, which we think is the best way to interpret market practices.

Demographic	25 th Percentile	Median	Average	75 th Percentile
All Contractors				
Incentive Amount	\$80,000	\$175,000	\$259,529	\$300,000
Percent of Base	28.1%	61.0%	80.2%	100.0%
General Contractor				
Incentive Amount	\$80,000	\$191,000	\$278,037	\$327,500
Percent of Base	27.8%	62.1%	85.3%	110.0%
Construction Manager				
Incentive Amount	\$100,000	\$274,000	\$333,879	\$551,875
Percent of Base	41.3%	70.6%	96.4%	108.0%
Design-Build Contractor				
Incentive Amount	\$113,800	\$238,629	\$316,165	\$548,278
Percent of Base	39.7%	70.5%	94.0%	114.0%
Electrical Contractor				
Incentive Amount	\$58,000	\$226,129	\$253,202	\$280,900
Percent of Base	20.3%	75.0%	77.7%	110.0%
Mechanical Contractor				
Incentive Amount	\$50,000	\$116,000	\$215,151	\$285,100
Percent of Base	20.0%	52.8%	65.1%	95.1%
Other Specialty Contractor				
Incentive Amount	\$151,000	\$193,333	\$239,654	\$250,000
Percent of Base	47.5%	69.8%	82.2%	102.0%

EXECUTIVE PAY (continued)

Demographic	25 th Percentile	Median	Average	75 th Percentile
Building				
Incentive Amount	\$89,609	\$198,000	\$265,790	\$305,053
Percent of Base	31.0%	62.1%	82.6%	100.0%
Highway				
Incentive Amount	\$125,000	\$199,000	\$236,088	\$305,000
Percent of Base	40.4%	72.1%	78.4%	104.0%
Heavy				
Incentive Amount	\$135,000	\$198,000	\$272,204	\$329,616
Percent of Base	43.8%	72.1%	84.6%	110.0%
Industrial				
Incentive Amount	\$86,687	\$157,500	\$254,701	\$271,585
Percent of Base	30.7%	52.1%	71.6%	95.6%
Municipal				
Incentive Amount	\$93,344	\$196,500	\$270,813	\$381,021
Percent of Base	28.9%	69.8%	87.4%	126.0%
Up to 5 Million				
Incentive Amount	***	***	\$34,000	***
Percent of Base	***	***	22.9%	***
5 to 25 Million				
Incentive Amount	\$35,750	\$75,500	\$112,794	\$147,500
Percent of Base	19.7%	33.7%	67.9%	73.1%
25 to 100 Million				
Incentive Amount	\$74,063	\$162,500	\$196,518	\$254,165
Percent of Base	26.5%	61.0%	70.6%	91.2%
100 to 250 Million				
Incentive Amount	\$95,288	\$198,000	\$241,344	\$271,370
Percent of Base	33.1%	51.0%	86.7%	103.0%
250 to 500 Million				
Incentive Amount	\$241,700	\$315,000	\$385,849	\$541,875
Percent of Base	59.0%	82.6%	92.6%	129.0%
Over 500 Million				
Incentive Amount	\$300,053	\$537,500	\$599,230	\$700,000
Percent of Base	61.5%	104.0%	109.0%	144.0%

AND MORE WAGE GROWTH

The 2022 HHM Open Shop Wage and Benefit Survey is now complete. This survey is designed to capture non-mandated pay rates for heavy civil, highway, municipal (HHM), and related infrastructure construction. This sixth annual survey represented wage and benefit data on 24,929 craft personnel, seeking to answer the question

of “what do you pay your people when not working on prevailing wage projects.” Survey participants reported a 2021 actual wage increase of 4.25% and forecasted a 2022 increase of 4.16%. The following reflects the national data for a few of the survey positions.

Survey Position	25 th Percentile	Median	Average	75 th Percentile
Asphalt Paving Operator	\$23.64	\$26.25	\$26.24	\$28.20
Asphalt Plant Operators	\$21.93	\$23.96	\$24.06	\$27.33
Backhoe Operator	\$21.00	\$25.11	\$24.90	\$28.30
Dozer Operator - Finish	\$22.71	\$24.69	\$25.21	\$28.77
Excavator Operator	\$23.00	\$24.89	\$26.02	\$29.14
Flagger	\$16.25	\$17.79	\$17.38	\$18.81
Laborer - Skilled	\$19.86	\$21.61	\$22.08	\$24.16
Laborer - Unskilled	\$16.51	\$18.02	\$18.39	\$20.00
Loader Operator - Plant	\$20.12	\$24.30	\$24.13	\$26.22
Mechanic - Heavy Equipment	\$26.00	\$28.50	\$28.65	\$31.63
Mechanic - Truck	\$23.14	\$26.61	\$26.04	\$29.29
Motor Grader Operator	\$25.84	\$26.64	\$26.99	\$29.75
Pipelayer	\$20.00	\$22.73	\$23.10	\$25.19
QC Technician	\$24.24	\$27.44	\$29.80	\$33.45
Roller Operator - Asphalt	\$19.17	\$22.70	\$22.58	\$26.34
Roller Operator - Earth	\$19.00	\$20.74	\$20.84	\$23.22
Scraper Operator	\$21.00	\$26.13	\$25.29	\$30.88
Track Hoe Operator	\$22.24	\$25.02	\$25.81	\$30.00
Truck Driver - Dump	\$19.25	\$21.84	\$22.08	\$23.65
Truck Driver - Lowboy	\$24.21	\$25.69	\$26.14	\$28.22

THE FINAL WORD

We just finished the 2022 Construction / Construction Management Staff Salary Survey. The results indicated a wide regional variation in the 2021 actual pay increase data ranging from 3.5% to 5.3%. The overall projected 2022 increases came in at 4.2% for middle managers and professionals with a smaller variation between regions

(3.6% to 4.3%). As with the executive increase numbers, we expect these 2022 anticipated numbers to grow as the year progresses.

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Joseph Natarelli is the national leader of Marcum's Construction Industry Practice and the office managing partner in New Haven, CT. He has more than 30 years of experience with international accounting firms providing auditing and consulting services. For nearly 20 years, Joe has served as a technical reviewer for the AICPA Audit and Accounting Guide – Construction Contractors and the AICPA's Audit Risk Alert for Construction Contractors. Joe frequently speaks on construction accounting and auditing matters and has chaired the annual AICPA National Construction Industry Conference. He regularly publishes articles in construction journals and has been interviewed by a number of media outlets.

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PAS, Inc.

Since 1979, PAS has provided the most comprehensive pay data available in the construction industry. As a compensation consulting and research firm, PAS surveys cover more than 200 industry related positions from President to Superintendent to Estimator to CFO to BIM Specialist to Carpenter. PAS provides invaluable data for establishing and maintaining your own competitive wage and salary programs, or assistance in developing new pay programs.

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Jeff Robinson is president of PAS, Inc., which specializes in compensation research and consulting for the construction industry in Saline, MI. Jeff has more than 40 years of experience in the construction industry. Prior to founding PAS, Inc. in 1979, he spent 10 years with a large Midwest contractor holding several project positions and corporate positions in accounting, human resources, and compensation administration. Jeff is a member of the AGC, the ABC, CFMA, SHRM, AICPA, and WorldatWork (formerly the American Compensation Association).

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