

2022 Cross-Industry Compensation & Benefits Survey

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2022 Cross-Industry Compensation & Benefits Survey

(Based on Calendar Year 2021 Statistics)

The **2022 Cross-Industry Compensation & Benefits Survey** report provides a detailed analysis of key compensation and benefits related statistics for the distribution industry. The results are based on confidential surveys from 959 distribution companies, representing over 10,000 locations. The **American Supply Association (ASA)** was one of twenty-two distribution related associations that sponsored the **2022 Cross-Industry Compensation & Benefits Survey** and offered it to their member organizations as a value-added benefit of membership.

The **2022 Cross-Industry Compensation & Benefits Survey** was compiled, tabulated, and analyzed by **Industry Insights, Inc.** (www.industryinsights.com), an independent professional research and analytics firm that provides research services focused on financial and operating performance, compensation and benefits, market assessments, customer satisfaction, educational programs, and other forms of customized research for associations and their members.

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About This Report

The **2022 Cross-Industry Compensation & Benefits Survey** represents the most complete, accurate, and up-to-date compensation and benefits data available. This report is designed to allow users to easily compare compensation levels and benefits policies with companies involved in wholesale trade/distribution.

In addition to data on recruiting & retention; health care costs/trends; retirement benefits; vacations/PTO and holidays; sick and other leave; and sales practices, this report contains compensation-related statistics for common job titles in the industry. These job titles include positions in the following categories:

- Executive Level Positions
- General & Administrative
- Sales & Marketing
- Operations/Warehouse
- Information Technology

We at Industry Insights are proud to present the enclosed insights into the compensation and benefits practices for the distribution industry. We wish to thank those companies which submitted data for the study. Their support was essential in making this study a success.

How the Tables are Organized

The tables in this report are organized to include a number of important findings for each relevant “grouping” of similar companies. Detailed compensation information is reported for the following data aggregations:

ASA Firms Only

All Firms

Annual Sales

- < \$10 Million
- \$10 to \$50 Million
- \$51 to \$100 Million
- Over \$100 Million

Region

- Northeast
- South
- Midwest
- West
- Canada

This report provides an “abridged” view of the survey results. All survey participants/subscribers also have access to an Excel based file containing output of all survey data points which are presented by many additional data aggregations for comparison. The Excel file as well as a PDF version of the survey and of this report can be found online at www.compensationbenchmarking.com/ASA. Some of the additional aggregates included are:

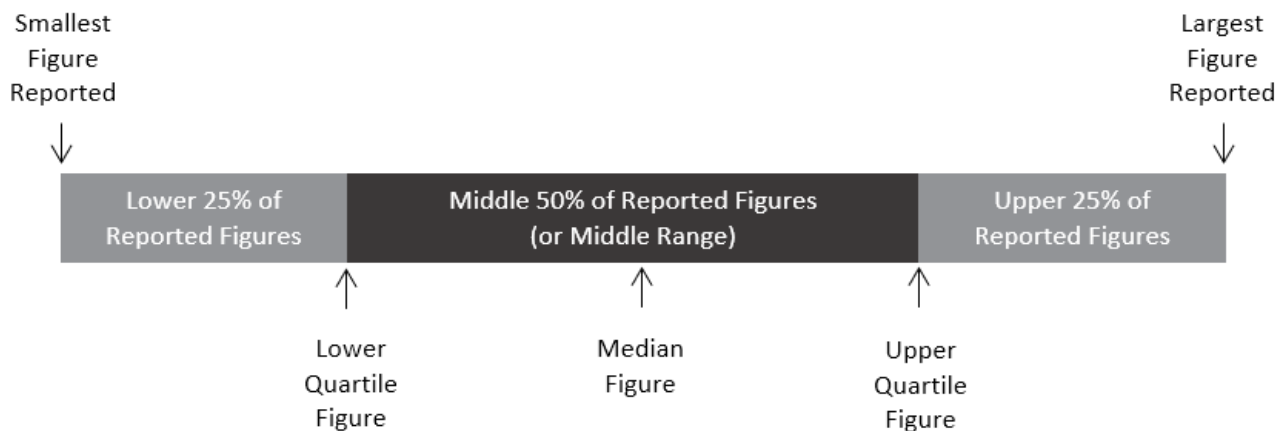
- Business seasonality
- Number of Employees
- Metropolitan Statistical Areas (MSAs)
- U.S. States
- Geographic regions (9 U.S. Census Regions and Canada)

Interpreting the Numbers

Many of the results included in this study are reported as both medians and arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The “median” value represents the mid-point of the data for a particular measure, with one-half of responding distributors reporting figures above it and one-half below. Each median was computed independently based on the participants that reported for that item. As a result, mathematical relationships do not always exist when different data points are used together in a calculation.

As readers compare their compensation information to that of the industry, it is important to remember that the statistics published in this report should be regarded as guidelines rather than absolute standards. Since distributors differ depending on their location, size, specialization, and other factors, any two distributors may offer their employees reasonably attractive, yet very different compensation packages. For example, duration of employment and nature of prior experience will obviously influence the compensation offered to a particular individual. Thus, a deviation between a company’s own figures for a position and numbers contained in this report is not necessarily good or bad; it is merely an indication that additional scrutiny may be warranted.

As a safeguard to ensure the confidentiality of all responses, a minimum of 5 responding organizations for each value is required in order to show means and medians (a minimum of 7 organizations is required to display percentiles). In addition, values are not displayed if a single organization represents more than 40% of the reported values for a data grouping. An asterisk (*) replaces the values for all cases in which the data sampling fails to meet both requirements.



Disclaimer

The statistical information contained in this report is believed to be representative of the individuals responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of reporting procedures. However, the data used in this report are not necessarily based on audited data and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular figure. Industry Insights and ASA, therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error, or omission. In no event shall Industry Insights and/or ASA be liable for any consequential damages.

The Economy

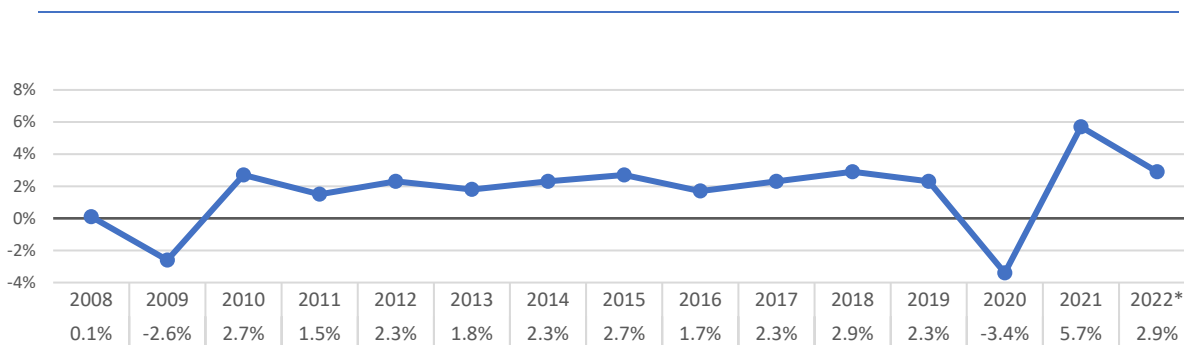
Before analyzing compensation information for any industry, it is important to understand the performance of the overall economy. This section of the report will examine several indicators which are typically correlated with compensation levels and their corresponding trends. It is important to note that these correlations may not apply to every geographic location or individual distributor. However, these indicators do provide sound information and their projections for 2022 will serve as a good gauge for compensation estimates moving forward.

Due to unprecedented government stimulus packages, the economic recovery from the pandemic has exceeded most expectations and the economic growth continued its strong pace into 2021. It was a bit of “rollercoaster” year in 2021. As we came out of 2020’s pandemic, there was optimism that life would begin to return to normal as vaccines became readily available to the nation. Early to mid-2021 saw strong growth in GDP but supply chain and inflationary concerns began to increase by late summer and into the third quarter. The fourth quarter saw strong growth return, though this was against the backdrop of the new COVID-19 Omicron variant. The remainder of 2022 and the next few years continue to bring a larger list of uncertainties than in most pre-pandemic years. How these uncertainties play out will determine whether we continue to have consistent long-term growth or hit a recessionary period.

Slowing Economic Growth

Real gross domestic product (GDP) decreased at an annual rate of 1.4% in the first quarter of 2022. While some are pointing to this as a sign of a recession coming, there are a few reasons that are likely temporary contributors to this decline. The fourth quarter GDP was somewhat artificially inflated as companies ramped up inventory purchases. At the same time, additional supply chain issues decreased inventory spending in the first quarter 2022. An increase in COVID-19 cases related to the Omicron variant caused additional restrictions in January 2022. Net exports (exports – imports) also contributed significantly to this decline. The trade deficit widened to a record high in the first quarter. It is believed that Russia’s invasion of Ukraine may have prompted businesses to push forward purchases in fears of additional anticipated supply chain ripples. In mid-2021, Real GDP growth for 2022 was forecasted to be in the high 4% range. Now, primarily due to inflationary concerns and geopolitical events putting strains on an already stressed supply chain, most are forecasting a slowed pace of 2.9%.

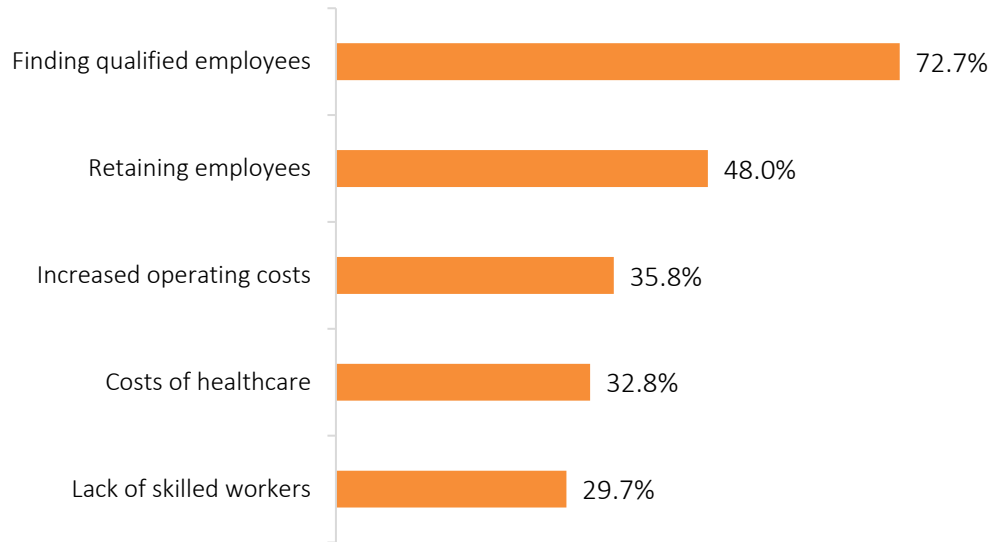
Gross Domestic Production (GDP) Growth Rate



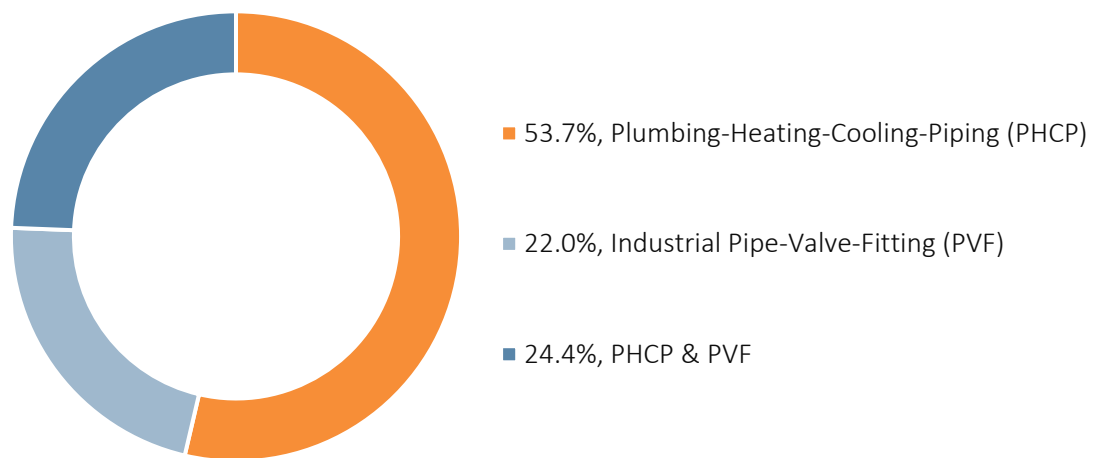
Source: Bureau of Economic Analysis

* Forecast

Top 5 Major Concerns/Issues (All Firms)

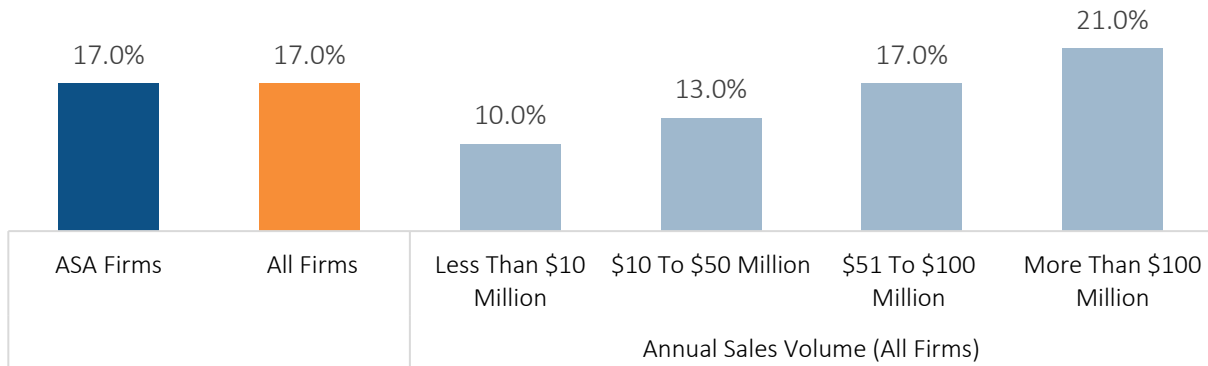


Primary Type of Business (ASA Firms)

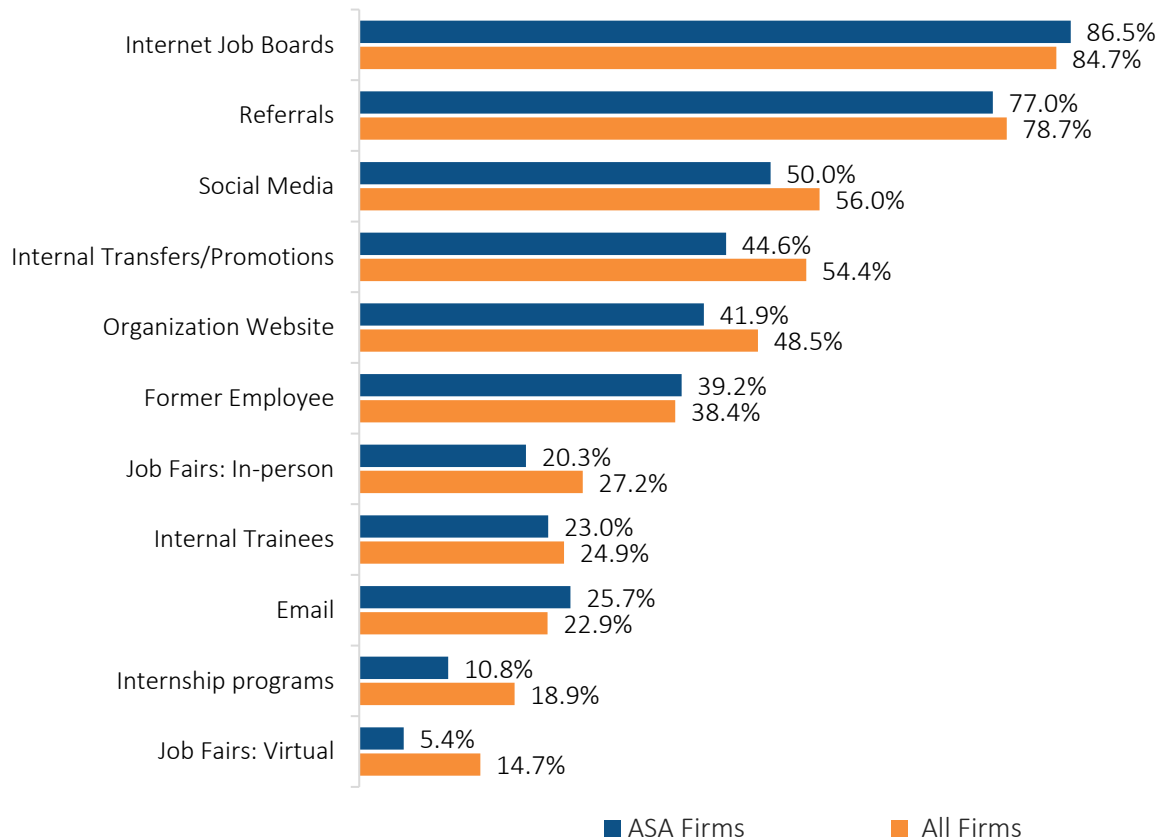


Recruiting and Retention

2021 Total Non-Management Employee Turnover Rate

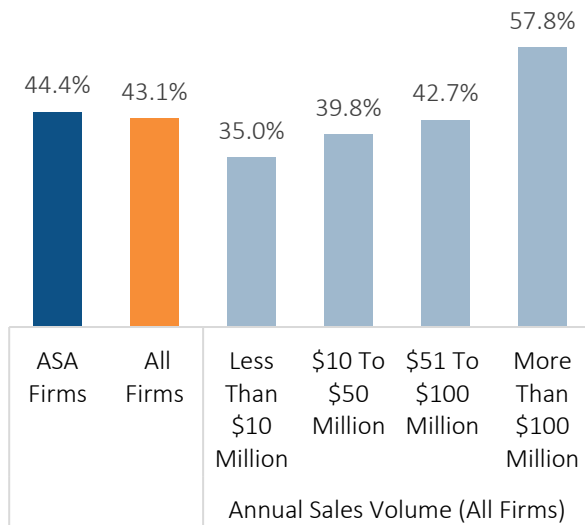


Top Methods Used to Successfully Fill Open Positions

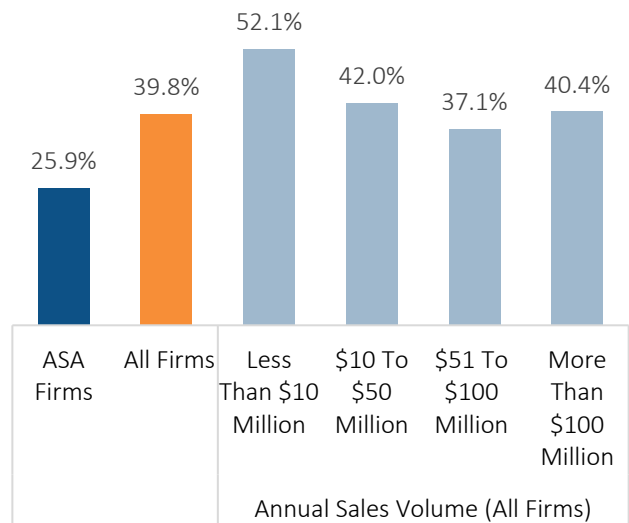


Top Benefits/Compensation Used to Attract and Retain Employees

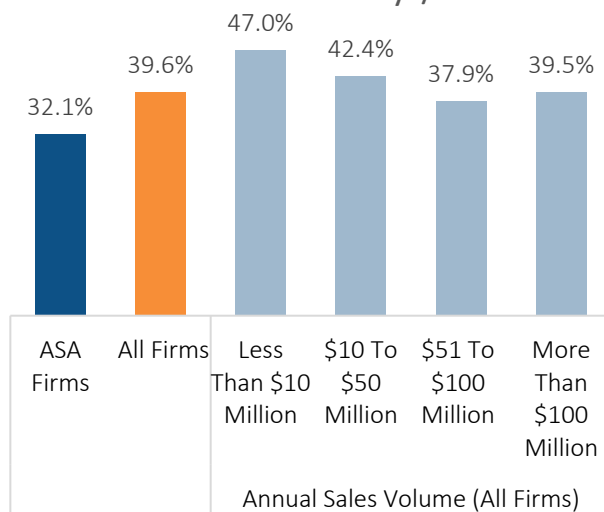
Incentive compensation



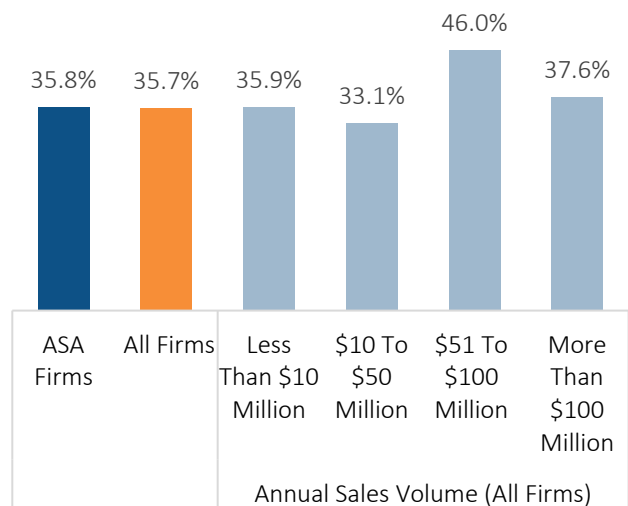
Added medical benefits



Added vacation days/PTO

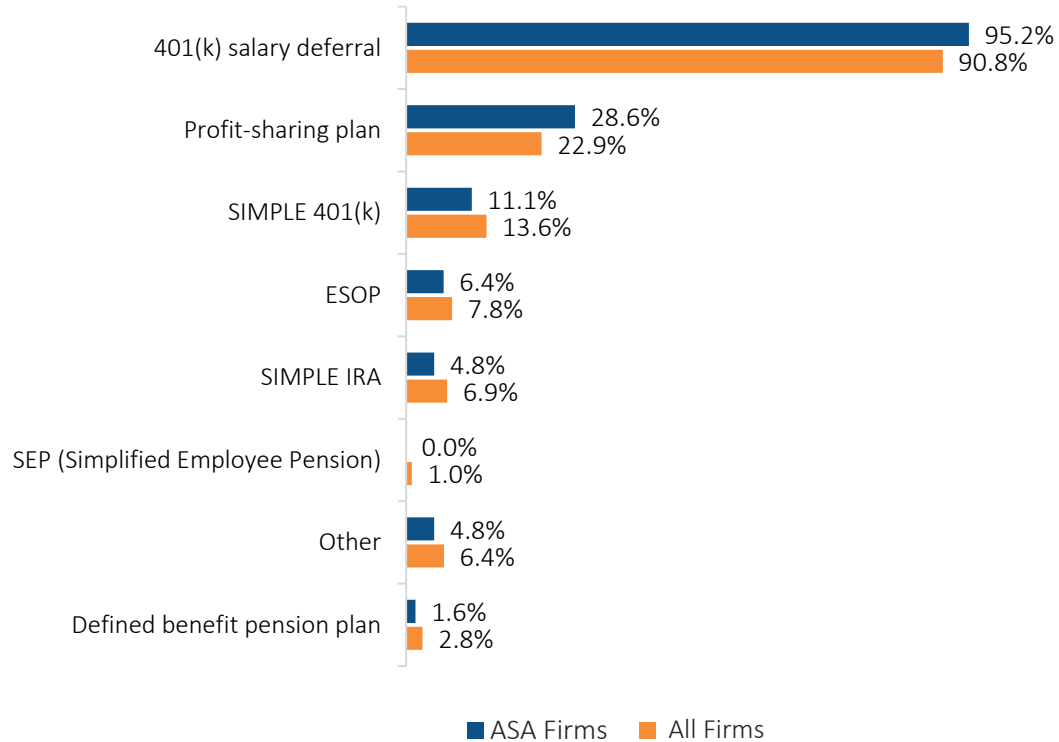


Profit sharing



Benefits

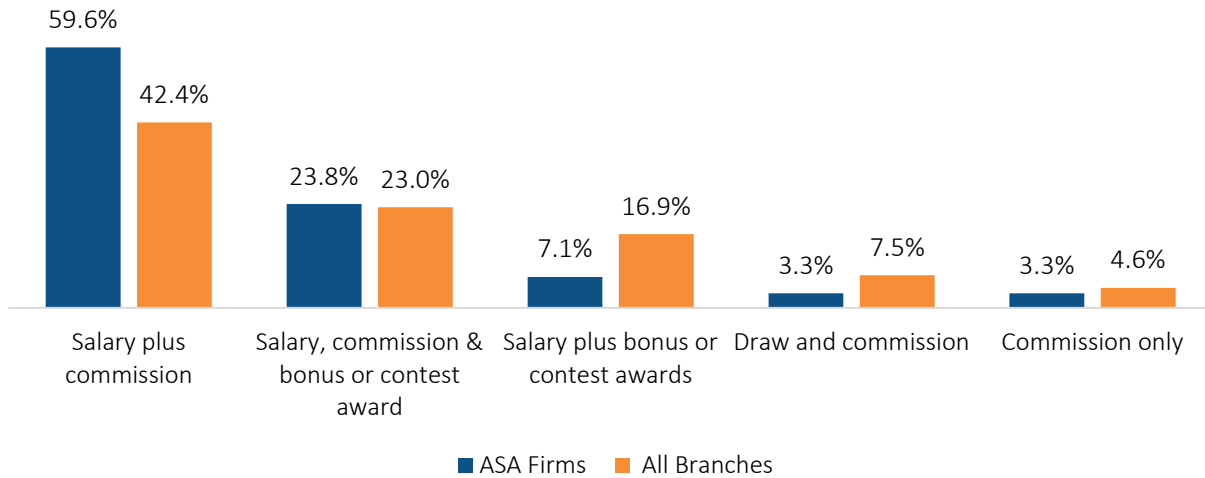
Of Companies Offering Retirement Plans, Types of Plans Offered



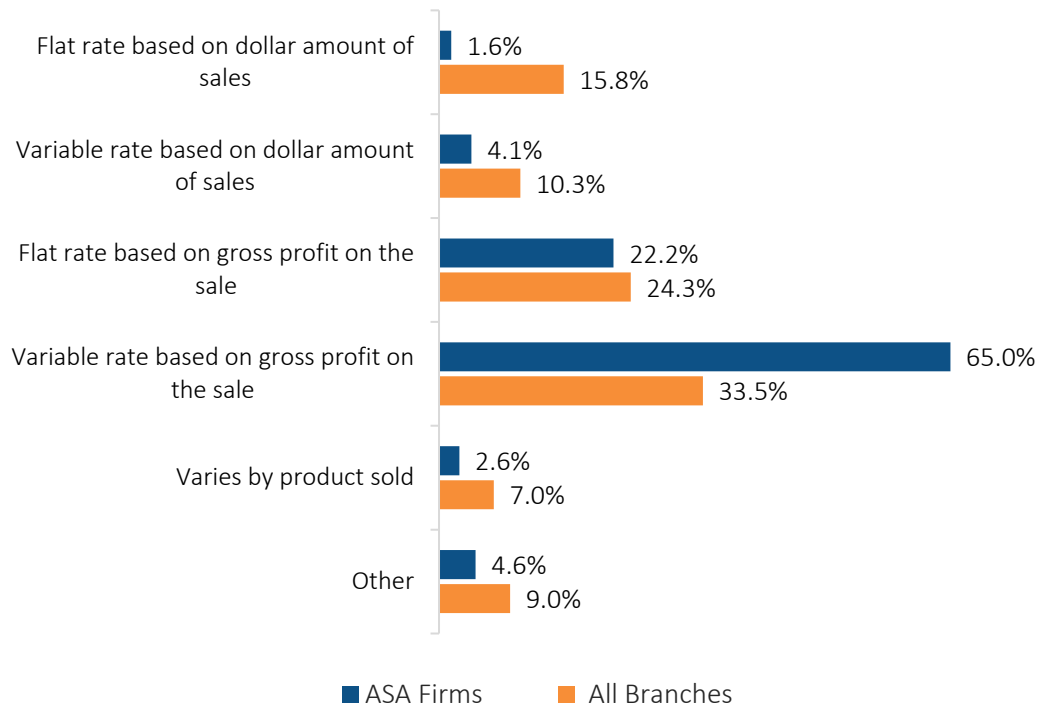
Matching Terms of Companies Offering 401(K)

	ASA Firms	All Firms	Annual Sales Volume (All Firms)			
			Less Than \$10 Million	\$10 To \$50 Million	\$51 To \$100 Million	More Than \$100 Million
100% match	29.6%	38.8%	56.1%	42.7%	41.5%	31.3%
Max. % of salary matched	3.0%	3.0%	3.0%	3.0%	3.0%	3.5%
50% match	46.3%	43.2%	24.4%	37.8%	46.2%	49.5%
Max. % of salary matched	5.0%	5.0%	3.0%	4.0%	5.0%	5.0%

Five Most Common Compensation Methods – Outside Salespeople



Most Common Method Used to Compensate Outside Salespeople

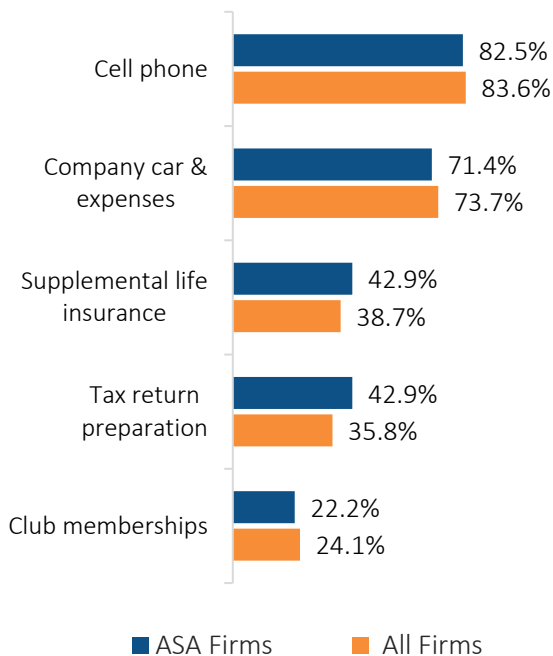


Executive Compensation

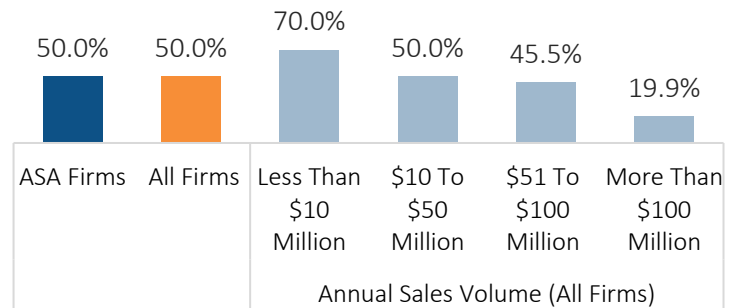
Chief Executive Officer/President

	Base Salary		Bonus/Incentives/ Commissions		Total Compensation		% Chg. in Total Comp (2020 to 2021)	
	Median	Average	Median	Average	Median	Average	Median	Average
ASA Firms Only	\$215,262	\$242,874	\$65,547	\$135,970	\$301,723	\$378,844	1.1%	9.5%
All Firms	\$200,000	\$243,779	\$42,000	\$169,506	\$285,000	\$413,286	3.0%	11.2%
Annual Sales								
< \$10 Million	\$125,000	\$149,223	\$10,000	\$44,270	\$145,000	\$193,493	0.0%	8.5%
\$10 to \$50 Million	\$169,556	\$185,888	\$22,856	\$87,241	\$220,600	\$273,129	1.0%	10.0%
\$51 to \$100 Million	\$226,500	\$239,688	\$80,000	\$192,534	\$328,492	\$432,222	3.0%	14.3%
Over \$100 Million	\$300,000	\$353,828	\$100,725	\$306,775	\$440,000	\$660,603	4.3%	13.3%
Region								
Northeast	\$243,415	\$271,071	\$56,138	\$159,441	\$338,392	\$430,512	4.0%	13.5%
South	\$199,000	\$232,889	\$31,393	\$170,018	\$263,495	\$402,907	1.6%	9.4%
Midwest	\$200,000	\$232,050	\$50,000	\$148,066	\$290,946	\$380,116	5.0%	12.8%
West	\$230,000	\$274,275	\$35,000	\$183,774	\$300,000	\$458,050	2.0%	9.7%
Canada	\$161,950	\$203,281	\$44,659	\$321,691	\$189,600	\$524,972	2.3%	11.1%

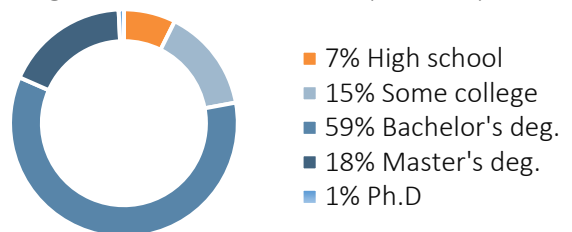
Top 5 Additional Benefits



Percent of Equity Owned



Highest Level of Education (all firms)



Sales & Marketing

Director of Sales

	Base Salary		Additional Cash Compensation		Total Compensation	
	Median	Average	Median	Average	Median	Average
ASA Firms Only	\$131,500	\$138,088	\$34,985	\$40,212	\$165,534	\$178,300
All Firms	\$127,500	\$133,046	\$16,730	\$32,728	\$151,500	\$165,773
Annual Sales						
< \$10 Million	\$100,000	\$98,757	\$2,000	\$9,487	\$103,000	\$108,244
\$10 to \$50 Million	\$113,850	\$119,859	\$14,500	\$26,218	\$138,750	\$146,077
\$51 to \$100 Million	\$120,000	\$128,157	\$25,000	\$36,523	\$152,318	\$164,680
Over \$100 Million	\$144,000	\$147,002	\$20,120	\$39,855	\$166,000	\$186,857
Region						
Northeast	\$128,890	\$133,733	\$11,000	\$22,578	\$153,723	\$156,311
South	\$125,000	\$133,018	\$19,264	\$44,547	\$154,200	\$177,565
Midwest	\$127,000	\$130,712	\$19,126	\$28,368	\$150,050	\$159,080
West	\$135,523	\$144,092	\$12,348	\$24,085	\$150,000	\$168,177
Canada	\$112,812	\$105,237	\$17,176	\$31,837	\$146,150	\$137,074

National Accounts Manager

	Base Salary		Additional Cash Compensation		Total Compensation	
	Median	Average	Median	Average	Median	Average
ASA Firms Only	\$120,511	\$143,354	\$20,000	\$35,622	\$171,450	\$178,975
All Firms	\$100,000	\$106,701	\$10,000	\$24,968	\$120,000	\$131,669
Annual Sales						
< \$10 Million	\$90,000	\$81,496	\$0	\$3,960	\$90,000	\$85,456
\$10 to \$50 Million	\$79,784	\$94,462	\$8,102	\$18,719	\$94,475	\$113,181
\$51 to \$100 Million	\$97,500	\$96,686	\$17,930	\$39,069	\$127,500	\$135,755
Over \$100 Million	\$110,700	\$121,806	\$17,530	\$23,677	\$132,798	\$145,482
Region						
Northeast	\$100,000	\$118,931	\$0	\$29,889	\$125,000	\$148,820
South	\$99,000	\$103,514	\$8,000	\$20,761	\$103,384	\$124,275
Midwest	\$102,830	\$110,669	\$17,500	\$22,773	\$120,912	\$133,443
West	\$115,143	\$112,960	\$21,000	\$42,678	\$140,474	\$155,638
Canada	\$73,425	\$71,253	\$8,867	\$12,710	\$88,490	\$83,963

Survey Methodology and Demographics

Once the questionnaires were submitted to Industry Insights, a confidential company identification code was assigned to each company. The data were then coded and entered into a proprietary system. Computer processing was performed on all data to ensure statistical validity and to produce the results contained in this study.

In all, 959 distributors, representing nearly 10,000 locations, submitted their surveys to Industry Insights. In particular, the statistical sample consists of the following:

ASA Firms	81
All Firms	959
2021 Annual Sales Volume	
Less than \$10 Million	120
\$10 to \$50 Million	271
\$51 to \$100 Million	150
More than \$100 Million	250
Region	
Northeast	133
South	297
Midwest	317
West	165
Canada	43

The statistical information contained in this report is believed to be representative of the companies responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of accounting reporting procedures. However, the data used in this report are not necessarily based on audited financial statements and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular ratio. Industry Insights make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error, or omission. In no event shall Industry Insights be liable for any consequential damages.