



Upstate New York

CONTRACTORS COMPENSATION & BENEFITS STUDY

.....

2019 Results

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INTRODUCTION AND OVERALL SUMMARY RESULTS

In 2019, The Bonadio Group's (TBG) Construction Team conducted a survey of Upstate New York construction companies and contractors regarding salary, benefits and other forms of compensation. The companies that responded to the survey came from all parts of New York State.

It comes as no surprise to see that both strategically and tactically, firms are trying to stretch their dollars to survive while satisfying their employees' needs.

Survey results are reported by small (under \$10 million in revenue), medium (\$10 to \$50 million in revenue) and large (over \$50 million in revenue) categories, as well as in an overview summary. Among the key issues explored in the survey are:

- Changes in employment levels
- Salary and bonus information for 24 different positions
- How bonuses are calculated
- Plans for wage increases
- Plans for 401(k) contributions
- Types of health care plans offered
- Health care premiums and employer contributions
- Strategies for controlling health care costs
- Other employee incentives

The objectives of the survey were to take a snapshot of the industry's employment and compensation practices that could serve as benchmarks for strategy and planning and, to a large degree, competitive differentiation. Benefits cost management remains increasingly important but needs to be done in a manner to avoid upsetting employees.

Of the firm's reporting this year, 36% had revenues under \$10 million, 51% had revenues between \$10 million and \$50 million, and 13% had revenues over \$50 million.

Of these firms, 91% have been in business over 10 years, over 38% are specialty firms, and 65% are open shop.

There was a mix of types and ownership of respondents, including 49% of respondents that are S-Corporations, 29% of respondents are C-Corporations and the remaining 22% are Limited Liability Companies. The majority of responding firms are primarily owned by the President/CEO of the Company, with some ownership provided to upper management (CFO and VPs), along with some rare instances of project executives having ownership. There were two respondents to the survey who are employee owned companies.

Survey Participants

Types of Contractors

- Construction Management
- General
- Industrial
- Heavy Highway
- Mechanical
- Specialty

Specialties

- Electrical
- Environmental
- Excavation, wrecking, demolition
- Masonry, stone, concrete
- Municipal sewer and water
- Painting, drywall, wall covering
- Plumbing/HVAC
- Roofing and siding
- Utilities

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Employment Levels and Payroll

Relative to employment levels, no firms expect to reduce employment and slightly under 50% expect to increase employment.

Payroll continues to be an in-house function with only 30% outsourcing payroll services, albeit a slight increase of 9% from the 2017 survey results.

Across all workers titles (management, project managers/estimators, administrative and field workers) discretionary bonuses continue to be the way bonuses are paid. Field workers continue to represent the largest group of employees not receiving bonuses (17% do not receive bonuses), while other groups not receiving bonuses averaged only 5%. There was only one respondent who noted upper management does not receive a bonus.

Of all of the firms surveyed, 82% stated that 2019 raises will be between 1% and 3% and only 4% stated they expect not to have any raises during 2019. For 2018, actual raises in the 1% to 3% range were 68% of all firms reporting, while 8% of firms did not provide raises.

Regarding the timing of raises, there was no consensus of when raises will be provided to employees. The most common response (37%) noted raises will be provided each year based on the budget / corporate calendar, while an additional 26% of survey respondents give raises on an employee's anniversary with the Company. The remaining respondents provide raises to employees based on merit, mid-year or in some instances at the time of promotion.

Lastly, statistics on firms having EEOC insurance or not carrying any were 52% "Yes" and 48% "No," respectively, which is a 9% decrease of firms having EEOC insurance from the previous survey. This statistic is somewhat surprising as awards by

juries are continuing to rise as discrimination and employment cases become more prevalent in the workforce.

Rising Healthcare Costs

Besides salary data, firms now are almost all providing health insurance benefits of some kind (95%), which is consistent with the 2017 survey results (97%). Most companies are continuing to be creative in providing options to employees, with only 57% of employers offering traditional healthcare models, while 38% of all respondents offer high deductible plans with a health savings account (HSA), 24% offer a preferred provider organization plan (PPO), 22% offer a flexible spending account (FSA) and 19% offer a health maintenance organization plan (HMO).

Health care insurance premiums continue to rise, with a single individual plan's monthly costs increasing from \$682 in the 2017 survey to \$890 in the 2019 survey - an increase of 30% over two years. An employee plus one plan's monthly premium has risen to \$1,654 in 2019 (previously \$1,289) and a family plan's premium has risen to \$2,311 in 2019 (previously \$1,620). However, as costs have continued to rise, the increases have been split amongst employees and employers.

Not surprisingly, Companies are always looking at ways to reduce their costs, along with remaining competitive in the marketplace in their health insurance offerings. Among key strategies to offset rising healthcare costs, respondents noted implementing high deductible plans with an HSA and moving to experience-rated plans. Additional strategies that companies intend to use include increasing employee cost sharing and implementing a wellness program. As costs continue to rise, management should continue to look to creative options to reducing healthcare costs to remain competitive in the marketplace.

Other Employee Perks

One common incentive set up for employees has been the use of a 401(k) plan or similar retirement plan offering. Of the survey respondents, 80% offer a 401(k) plan or similar retirement plan. These companies have created a great strategy for their employees to begin or continue saving for retirement. Of the 80% of respondents offering a retirement savings plan, 78% of these respondents made a matching or profit-sharing contribution. Of those providing a matching or profit-sharing contribution, 42% of respondents noted these contributions were discretionary. These employer contributions can be a second source of a bonus that can be given to employees and provide incentive to stay based on vesting requirements. The average matching or profit sharing contribution was approximately 3.8% of an employee’s wages during 2018. Lastly, looking towards 2019, 90% of respondents with a retirement savings plan intend to make employer contributions during the year.

Another common employment perk provided to employees in the construction industry is providing for a reimbursement for mileage or a company owned or leased vehicle. Over 75% of respondents provide for mileage reimbursements to employees traveling to job sites, while 69% of respondents also allow or provide for a company owned or leased vehicle to certain employees. Lastly, the traditional car allowance or providing for gas credit cards to employees are dwindling. Less than 40% of companies offer these traditional perks to employees.

A final perk provided to the construction industry is paid time off, vacation and holidays. Within the industry, 77% of survey respondents noted paid time off is required to be used before the end of the calendar or corporate year, while 23% of survey

respondents identified their company as allowing individuals to carry over unused (accrue for) vacation days to the following year. This is a decrease in the carry over of unused vacation days by 5% from the 2017 survey. Lastly, responding firms offer an average of seven paid holidays during the year, which is an increase of one paid holiday day from the 2017 survey.

Culture and Evaluations

One recent trend companies are utilizing to improve their culture and understand the new generation of employees is through staff satisfaction surveys. However, within the construction industry, this trend is not gaining much momentum, as 81% of surveyed firms identified they do not participate in such surveys. These surveys provide an opportunity to help companies enhance their culture by increasing their employees’ happiness, increasing their engagement levels and productivity, along with identifying opportunities for training and evaluating management and teamwork related issues.

The majority of firms responding (69%) continue to formally evaluate employees on their performance during the year, with an average evaluation occurring twice per year. Of those responding “yes” to the formal evaluation process, 69% noted they are providing written evaluations to employees. Lastly, survey respondents identified that raises provided to employees are, for the most part, indirectly related to an employee’s evaluation (64%), while 33% of respondents noted raises are based off of an evaluation process at the company. Most respondents indicated that their evaluation process occurs during either: near year-end/during budget process or at an employee’s anniversary date.

FIRM RESPONSES—ALL PARTICIPANTS

Salary Information

	Average Base Salary		Average Bonus Amount	
	2019	2017	2019	2017
President/CEO	\$138,996	\$170,676	\$137,007	\$91,696
CFO	\$109,347	\$126,736	\$29,666	\$53,333
VP of Operations	\$125,664	\$118,032	\$70,827	\$56,570
Controller	\$78,392	\$89,494	\$5,965	\$15,714
Assistant Controller	\$66,054	\$59,776	\$3,928	\$3,338
Payroll Accountant	\$43,683	\$51,748	\$1,942	\$4,225
AP Accountant	\$42,680	\$44,218	\$1,385	\$2,401
AR Accountant	\$43,845	\$43,845	\$2,965	\$2,965
IT Manager	\$67,625	\$94,854	\$4,333	\$4,810
Network Administrator	\$50,175	\$59,516	\$3,000	\$4,772
Project Executive	\$120,662	\$116,705	\$20,875	\$15,123
Project Manager	\$82,406	\$83,555	\$12,461	\$8,873
Project Engineer	\$55,005	\$60,135	\$667	\$3,656
Project Assistant	\$50,543	\$43,791	\$400	\$2,423
Project Administrator	\$53,616	\$42,661	\$1,878	\$1,999
Safety Manager	\$77,438	\$74,745	\$4,525	\$4,054
Sales/Mktg Manager	\$71,917	\$87,665	\$30,875	\$10,286
HR Manager	\$80,443	\$64,936	\$8,513	\$3,876
Chief Estimator	\$96,313	\$90,281	\$8,333	\$8,131
Estimator	\$68,600	\$71,312	\$3,144	\$8,577
Superintendent	\$81,627	\$84,100	\$4,320	\$8,680
Field Foreman	\$61,648	\$68,984	\$2,218	\$3,694
Admin Assistant	\$39,808	\$44,949	\$2,361	\$2,497
Receptionist	\$32,501	\$32,259	\$757	\$1,556

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FIRM RESPONSES—SMALL FIRMS

Salary Information

	Average Base Salary		Average Bonus Amount	
	2019	2017	2019	2017
President/CEO	\$108,591	\$133,290	\$47,750	\$95,000
CFO	\$99,267	\$180,000	\$1,000	\$0
VP of Operations	\$96,072	\$85,200	\$15,000	\$50,000
Controller	\$65,746	\$85,650*	\$1,912	\$100,000*
Assistant Controller	\$62,500**	\$52,787	\$5,000**	\$0
Payroll Accountant	-	\$34,000*	-	\$0*
AP Accountant	\$40,447	\$48,850	\$2,647	-
AR Accountant	\$43,600*	\$34,000	\$0*	\$0
IT Manager	\$80,500*	-	\$0*	-
Network Administrator	-	-	-	-
Project Executive	-	\$120,640	-	\$0
Project Manager	\$70,257	\$69,966	\$5,333	\$9,500
Project Engineer	-	-	-	-
Project Assistant	\$48,250**	\$48,960	\$0**	\$0
Project Administrator	\$53,500*	\$40,000	\$0*	\$2,500
Safety Manager	\$78,000*	\$45,760	\$1,000*	-
Sales/Mktg Manager	\$65,000*	\$62,400	\$0*	\$0
HR Manager	\$73,400**	-	\$500**	-
Chief Estimator	\$73,980	\$50,000	\$6,750	\$0
Estimator	\$67,600	\$81,560	\$5,500	\$19,167
Superintendent	\$78,275	\$72,453	\$500	\$6,000
Field Foreman	\$58,721	\$76,467	\$1,900	\$7,000
Admin Assistant	\$31,133	\$48,940	\$1,450	\$3,500
Receptionist	\$33,300*	\$45,000	\$0*	\$1,500

* 1 Response

** 2 Responses

2019: 19 Responses **2017:** 4 Responses

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FIRM RESPONSES—MEDIUM FIRMS

Salary Information

	Average Base Salary		Average Bonus Amount	
	2019	2017	2019	2017
President/CEO	\$154,612	\$171,973	\$120,009	\$121,250
CFO	\$125,022	\$104,526	\$32,190	\$82,000
VP of Operations	\$135,222	\$117,634	\$76,422	\$55,188
Controller	\$82,543	\$76,800	\$6,067	\$8,100
Assistant Controller	\$65,344	\$60,733	\$2,690	\$2,500
Payroll Accountant	\$48,956	\$56,210	\$2,421	\$4,714
AP Accountant	\$44,316	\$39,977	\$1,239	\$1,667
AR Accountant	-	\$47,520	-	\$2,600
IT Manager	-	\$90,200	-	\$0
Network Administrator	\$72,850**	-	\$6,000**	-
Project Executive	\$99,216	\$109,500	\$7,833	\$16,000
Project Manager	\$86,530	\$88,021	\$15,582	\$9,164
Project Engineer	\$55,016*	\$53,333	\$0*	\$3,750
Project Assistant	\$50,325	\$36,500	\$0	\$2,000
Project Administrator	\$53,482	\$43,300	\$2,318	\$2,500
Safety Manager	\$71,917	\$72,500	\$5,335	\$3,750
Sales/Mktg Manager	\$73,301	\$100,000	\$30,875	\$4,500
HR Manager	\$84,531	\$63,333	\$12,145	\$1,250
Chief Estimator	\$106,077	\$101,250	\$14,333	\$9,750
Estimator	\$65,557	\$71,500	\$2,860	\$7,411
Superintendent	\$77,644	\$87,975	\$5,600	\$12,171
Field Foreman	\$62,989	\$67,867	\$2,300	\$3,311
Admin Assistant	\$44,130	\$44,273	\$2,806	\$2,100
Receptionist	\$32,604	\$26,860	\$700	\$1,000

* 1 Response

** 2 Responses

2019: 27 Responses 2017: 11 Responses

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FIRM RESPONSES—LARGE FIRMS

Salary Information

	Average Base Salary		Average Bonus Amount	
	2019	2017	2019	2017
President/CEO	\$202,500	\$206,281	\$143,750	\$49,538
CFO	\$155,750	\$153,400	\$33,333	\$38,000
VP of Operations	\$150,600	\$129,639	\$60,500	\$59,510
Controller	\$97,750	\$99,350*	\$7,500	\$9,938*
Assistant Controller	\$70,673	\$64,300	\$2,750	\$4,591
Payroll Accountant	\$41,432	\$48,756*	\$1,350	\$3,539*
AP Accountant	\$37,828	\$47,621	\$1,500	\$3,762
AR Accountant	-	\$42,138	-	\$3,421
IT Manager	\$95,000	\$64,216	\$6,500	\$3,600
Network Administrator	\$55,000*	\$42,776	\$3,000*	\$2,564
Project Executive	\$185,000*	\$42,938	\$60,000*	\$1,798
Project Manager	\$94,000	\$82,337	\$4,425	\$4,296
Project Engineer	\$55,000	\$64,216	\$1,000	\$3,600
Project Assistant	\$56,000*	\$42,776	\$800*	\$2,564
Project Administrator	\$54,000*	\$42,938	\$1,000*	\$1,798
Safety Manager	\$110,000*	\$82,337	\$4,000*	\$4,296
Sales/Mktg Manager	-	\$83,634	-	\$12,600
HR Manager	\$70,000*	\$65,738	\$1,500*	\$4,751
Chief Estimator	\$121,450	\$89,681	\$2,500	\$7,052
Estimator	\$80,750	\$62,585	\$1,500	\$4,444
Superintendent	\$106,250	\$89,546	\$4,300	\$5,400
Field Foreman	\$73,000*	\$68,832	\$3,400*	\$2,400
Admin Assistant	\$40,000*	\$42,963	\$2,000*	\$2,493
Receptionist	\$31,640	\$33,524	\$900	\$1,803

* 1 Response

2019: 7 Responses 2017: 10 Responses

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Mechanical Contractors
Plastering, Painting & Drywall Contractors
Real-Estate Development
Residential & Commercial Construction
Roofing & Siding Contractors
Utility Contractors
Water Well Drilling Contractors
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Providing the right tools for every job.

BONADIO CONSTRUCTION DIVISION

We Deliver Concrete Advice

Running a construction company can be a challenge, but the right tools can make a world of difference. Intuitive, experienced, and dependable, The Bonadio Group has become a trusted resource of the construction industry, helping construction firms, contractors, and business owners achieve financial success and peace of mind through exceptional service, the right solutions to their problems, and accessibility.

Our construction team understands the construction industry's unique challenges. Our knowledge and decades of experience enable us to guide our clients and help them operate successful, thriving businesses. We provide assistance in nearly every aspect of business planning and management for construction companies and their owners.

We thoroughly understand the fine line that separates the business from its owner, and the myriad of tax, business planning, and financing issues that lurk at this crossroad. We are well equipped and versed in helping business owners thrive in the complicated construction environment.

The result: a trusted strategic relationship that enables our clients to build on their success, maintain a competitive advantage, and achieve growth and profitability.

Construction company owners encounter operational and financial issues throughout the year—that's why we don't just prepare financial statements and tax returns, deliver them and say "see you next year." We talk to our clients throughout the year to make sure that all of their needs are being taken care of. Additionally, we provide guidance and insight through our annual construction survey and construction summits. We are committed to your industry!



Our relationship with The Bonadio Group extends well beyond the typical vendor/client engagement, as they treat us as true business partners with our best interests as their first priority. Their engagement team's knowledge is exemplary, of course, but let's be honest—tax laws and accounting rules don't change much from one provider to the next. The Bonadio difference is in the level of service they provide to us. They delve deep, uncover savings, provide advisement on a broad spectrum of matters, and quite honestly, go well beyond the role of the typical accounting firm. For these reasons, I have the greatest confidence and trust in our Bonadio team."

LeChase Construction Services, LLC Chuck Caranci, Executive VP & CFO

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Client Testimonials

“The Bonadio Group does excellent audit and tax work, but what makes them truly unique is the sound business advice they give us on diverse business problems—when we were involved in a lawsuit, they were there to help—when we needed to sell properties, they were there to help. It’s reassuring to know that at every business turn they are always there for us.”

Mark Burritt, CFO
Fahs Construction Group

“The Bonadio Group markets itself as “Big Firm Capabilities Small Firm Personality” and that is so true. We aren’t just a client to them—we are treated as true friends. They care about us and they care about our business. The personalized service we receive goes well beyond traditional accounting and tax advice. Whenever we have a new project, venture, or idea we turn to them for advice and help. They are our most trusted business advisors.”

John Zoladz, President
Zoladz Construction Co., Inc.



Our construction professionals have a thorough understanding of the issues and trends that affect the industry and your business. The services we provide our construction clients include:

Operational Solutions

- Multi-state licensing & pre-qualification
- CFO and controller consulting
- Cost reduction strategies
- Estimating services
- Executive search
- Information technology audits & system selection services
- Operational cost reviews
- Pre-qualification & filings to do business in other states
- Process improvement
- Productivity studies
- Profit improvement analysis
- Stock purchase plans
- Strategic management plans
- Company training & development programs
- Family business counseling
- Executive support for CEO’s
- Management retreat facilitation

Continuity Solutions

- Business valuations
- Construction claims
- DOL audit assistance

Financial Solutions

- Assistance with contract claim preparation
- Audit, review & compilation services
- Bank and surety consultation
- Key management incentive plans
- Insurance risk and cost analysis
- Cost segregation analysis
- Credits and incentives
- Like-kind exchanges
- Sale and acquisition strategies
- Sales Tax
- Tax planning
- Tax return preparation
- Consulting on sale/leasebacks of real estate & equipment
- Demolition cost write-offs
- Real estate development planning
- Indirect/overhead cost allocation analysis

Continuity Solutions

- Review of buy-sell agreements
- Employee benefits, pensions, & retirement plans
- Estate, gift and trust planning
- Pension planning
- Personal financial planning
- Succession planning

Our construction clients expect more and get more. In addition to our accounting (surety approved financial statement format) and tax services, we provide our clients with the advice they need to successfully manage their companies now and in the future.

Bonadio’s Construction Division serves over 250 construction/contractor clients throughout New York State and beyond. Construction company owners need advisors who know construction and who have the know-how, skills, and experience to provide the guidance, advice, and solutions to ensure profitability. That’s why the specialists on our team include, CPAs, tax specialists, valuation experts, engineers, CCIFPs, CITs, Certified Fraud Examiners, and Certified Exit Planning Advisors.

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