

Compensation Comparison – Percentage vs. Flat Hourly Increases

Salary Example – \$60,000/year

Weekly: \$1,153.85

Hourly equivalent: \$28.85

5% increase: \$3,000 annually

New total: \$63,000

Hourly Example – \$20/hour

Weekly: \$800

Annual: \$41,600

Comparison of Increase Methods

5% Increase (Hourly Equivalent):

Increase: \$2,080 annually

New total: \$43,680

\$1.45/hour Increase:

Increase: \$3,016 annually

New total: \$44,616

\$1.50/hour Increase:

Increase: \$3,120 annually

New total: \$44,720

\$1.60/hour Increase:

Increase: \$3,328 annually

New total: \$44,928

Key Comparison

\$60,000 salary @ 5% = \$3,000 increase

\$20/hour @ 5% = \$2,080 increase

\$20/hour + \$1.45 = \$3,016 increase

\$20/hour + \$1.50 = \$3,120 increase

\$20/hour + \$1.60 = \$3,328 increase

Conclusion

A flat hourly increase of approximately \$1.45 produces the same real-dollar impact as a 5% increase on a \$60,000 salary.

Flat dollar increases result in greater proportional gains for lower-wage employees, while percentage-based increases maintain proportional differences across pay levels.

Talking Points for Impasse Discussion

- I am requesting the most recent salary study and the full wage schedule for members of the bargaining unit.
- A 5% increase on a \$60,000 salary results in a \$3,000 annual adjustment.
- A 5% increase for an employee earning \$20 per hour results in a \$2,080 annual adjustment.
- A flat increase of \$1.45 per hour results in approximately \$3,016 annually.
- A flat increase of \$1.50 per hour results in approximately \$3,120 annually.
- A flat increase of \$1.60 per hour results in approximately \$3,328 annually.
- Flat dollar increases provide greater real-dollar gains to lower-wage employees.
- Percentage-based increases maintain proportional differences across pay levels.
- Clarification is requested on how the proposed increase aligns with the overall compensation structure.